

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Ordinance No. 623 Adopting the 2012 Regular and Excess Property Tax Levies		
DEPARTMENT:	Finance		
PRESENTED BY:	Debbie Tarry, Assistant City Manager		
ACTION:	<input checked="" type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion
	<input type="checkbox"/> Discussion	<input type="checkbox"/> Public Hearing	

PROBLEM/ISSUE STATEMENT:

The City of Shoreline is required to adopt its 2012 property tax levies by ordinance and certify the amount to the County Assessor by November 30, 2011. On November 2, 2010, voters approved Proposition 1 which established a tax rate of \$1.48 per \$1,000 of assessed valuation for 2011 property tax levy. Proposition 1 included an annual escalator based upon the consumer price index for all urban consumers (CPI-U) which is 3.15% for the 2012 property tax levy. Although this is the case, the City cannot apply the full increase given the projected 5.1% decrease in assessed valuation as provided by the King County Assessor's Office. If the levy were increased by the full CPI-U change, it would result in a regular property tax levy rate in excess of statutory maximum of \$1.60 per \$1,000 assessed valuation. Since the City cannot exceed the levy rate statutory threshold the levy increase for 2012 will be approximately 2.5%, resulting in a projected regular levy rate of \$1.60 per \$1,000 assessed valuation.

The City also has an excess levy to collect monies to repay the general obligation bonds that were issued in December 2006 as approved by the voters in May 2006 for open space acquisition and park improvements. The total general obligation bond levy for 2012 is \$1,700,000, resulting in an estimated levy rate of \$0.27 per \$1,000 of assessed valuation.

Ordinance No. 623 is the ordinance that adopts both the regular property tax levy and the tax levy to repay the 2006 General Obligation Bonds.

FINANCIAL IMPACT:

The total operating budget for Shoreline is \$35.4 million with the City's regular property tax levy amounting to 28% of the operating revenues.

RECOMMENDATION

Staff recommends that Council approve Ordinance No. 623 establishing the City's 2012 regular and bond property tax levies.

Approved By: City Manager gn City Attorney Fp

ATTACHMENTS

Attachment A – Ordinance No. 623

ORDINANCE NO. 623

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON LEVYING THE GENERAL TAXES FOR THE CITY OF SHORELINE IN KING COUNTY FOR THE FISCAL YEAR COMMENCING JANUARY 1, 2012, ON ALL PROPERTY BOTH REAL AND PERSONAL, IN SAID CITY WHICH IS SUBJECT TO TAXATION FOR THE PURPOSE OF PAYING SUFFICIENT REVENUE TO CONDUCT CITY BUSINESS FOR THE ENSUING YEAR AS REQUIRED BY LAW AND LEVYING AN EXCESS LEVY FOR THE REPAYMENT OF UNLIMITED GENERAL OBLIGATION BONDS

WHEREAS, the City Council of the City of Shoreline has considered the City's anticipated financial requirements for 2012 and the amounts necessary and available to be raised by ad valorem taxes on real, personal, and utility property; and,

WHEREAS, the City Council has properly given notice of the public hearing held November 14, 2011 to consider the revenue sources for the City's current expense budget for the 2012 calendar year, pursuant to RCW 84.55.120; and

WHEREAS, the citizens of the City of Shoreline approved Shoreline Proposition 1 on November 2, 2010 which set the 2012 regular property tax levy rate at \$1.60 per \$1,000 of assessed valuation after applying the rate escalator of Proposition 1 limited by the statutory levy limit of \$1.60 per \$1,000 of assessed valuation; and

WHEREAS, the voters of the City of Shoreline approved the issuance of \$18,795,000 in unlimited general obligation bonds on May 16, 2006; and,

WHEREAS, the City issued the bonds on December 13, 2006, and began making debt service payments on the bonds in June of 2007; now therefore

THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Regular Property Tax Levy. The citizens of the City of Shoreline approved Shoreline Proposition 1 on November 2, 2010, limiting annual levy increases for years 2012 through 2016 to the annual June to June change in the Seattle/Tacoma/Bremerton CPI-U. The maximum change from the 2011 levy to be used for calculating the 2012 City levy, in addition to new construction, is based on the CPI-U index change from June 2010 to June 2011 which is 3.15%. The property tax rate for 2012 shall be \$1.60 per \$1,000 of assessed valuation as included in Proposition 1 which was approved by voters on November 2, 2010.

Section 2. Voter-Approved Excess Tax Levy for Unlimited General Obligation Bonds. In addition, a further tax is hereby levied to raise revenue to provide for the interest and redemption of voter-approved general obligation bonds for the fiscal year of 2012 in the amount of \$1,700,000. This tax is applicable to all taxable property within the City of Shoreline.

Section 3. Notice to King County. This ordinance shall be certified to the proper County officials, as provided by law, and taxes herein levied shall be collected to pay to the Finance Department of the City of Shoreline at the time and in the manner provided by the laws of the State of Washington for the collection of taxes for non-charter code cities.

Section 4. Effective Date. This ordinance shall be in full force five days after publication of this ordinance, or a summary consisting of its title, in the official newspaper of the City, as provided by law.

Section 5. Severability. Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be preempted by State or Federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

PASSED BY THE CITY COUNCIL ON NOVEMBER 28, 2011.

Keith A. McGlashan, Mayor

ATTEST:

APPROVED AS TO FORM:

Scott Passey
City Clerk

Ian Sievers
City Attorney

Date of Publication: , 2011
Effective Date: , 2011