

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Adoption of Ordinance No. 842 - Setting the 2019 Regular and Excess Property Tax Levies
<b>DEPARTMENT:</b>	Administrative Services
<b>PRESENTED BY:</b>	Sara Lane, Administrative Services Director Rick Kirkwood, Budget Supervisor
<b>ACTION:</b>	<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 2019 property tax levies by ordinance and certify the amount to the County Assessor by December 3, 2018.

State law limits the annual growth of the City’s highest regular property tax levy to 1% and the levy rate to \$1.60 per \$1,000 of assessed valuation (AV). The City’s Proposition 1 in 2016 included a provision to raise the annual 1% limitation to an annual escalator based upon the Consumer Price Index for all Urban Consumers (CPI-U). The City is able to apply the annual increase percentage of 3.28% for 2019 to the City’s highest regular property tax levy of \$12,820,999 for 2018 and add the new construction levy and a one-time relevely for prior year refunds. Based on the latest information provided by the King County Assessor’s Office, the regular property tax levy represents a dollar increase of \$419,936 and a percentage increase of 3.28% from the levy amount of the previous year, excluding the addition of new construction, improvements to property, any increase in the value of state assessed property, and administrative refunds made as shown below:

	Amount
<b>2019 Regular Levy</b>	<b>\$13,443,401</b>
Less 2018 Levy	12,820,999
Less New Construction	170,944
Less Refunds	31,522
<b>Total Increase</b>	<b>\$419,936</b>
<b>Percent Increase</b>	<b>3.28%</b>

The most recent assessed valuation is \$10,880,259,158. In 2019, the projected regular levy rate per \$1,000 AV is estimated to be \$1.23558, down from the current rate of \$1.26752 per \$1,000 AV.

The City also levies an excess property tax levy to collect monies to repay the general obligation bonds 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 2019 is \$1,695,100. In 2019, the projected excess levy rate per \$1,000 AV is estimated to be \$0.15580, down from the current rate of \$0.16932 per \$1,000 AV.

Proposed Ordinance No. 842 (Attachment A), which is the ordinance that adopts both the regular property tax levy and the excess property tax levy to repay the 2006 General Obligation Bonds, has been updated to reflect the latest information provided by the King County Assessor's Office.

**FINANCIAL IMPACT:**

It is anticipated the 2019 Regular Levy will total approximately \$13.443 million and the excess property tax levy to repay the general obligation bonds issued in December 2006 will total approximately \$1.695 million. Based on the latest information provided by the King County Assessor's Office, the regular property tax levy represents a dollar increase of \$419,936 and a percentage increase of 3.28 percent from the levy amount of the previous year, excluding the addition of new construction, improvements to property, any increase in the value of state assessed property, and administrative refunds.

**RECOMMENDATION**

Staff recommends that the City Council adopt Ordinance No. 842 establishing the City's 2019 regular and excess property tax levies.

**ATTACHMENTS:**

Attachment A: Proposed Ordinance No. 842

Approved By:           City Manager **DT**   City Attorney **MK**

**ORDINANCE NO. 842**

**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, 2019, THE FIRST YEAR OF THE CITY OF SHORELINE'S 2019-2020 FISCAL BIENNIUM, 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 SAID FISCAL YEAR AS REQUIRED BY LAW, AND LEVYING AN EXCESS LEVY FOR THE REPAYMENT OF UNLIMITED GENERAL OBLIGATION BONDS.**

WHEREAS, as required pursuant to RCW 35A.33.135, the City Council for the City of Shoreline and the City Manager have considered the City's anticipated financial requirements for 2019 and the amounts necessary and available to be raised by ad valorem taxes on real, personal, and utility property; and

WHEREAS, as required pursuant to RCW 84.55.120, a public hearing was held on November 5, 2018 to consider the revenue sources for the City's current expense budget for the 2019-2020 Biennial Budget, including the consideration of possible increases in property tax revenues; and

WHEREAS, on November 8, 2016, Shoreline Proposition No. 1 (Basic Public Safety, Parks & Recreation, and Community Services Maintenance and Operations Levy) limiting annual levy increases for the years 2018 to 2022 to the June-to-June percentage change in the Seattle/Tacoma/Bellevue CPI-U was approved by the voters; and

WHEREAS, the maximum change from the 2018 levy to be used for calculating the 2018 regular levy, in addition to new construction, is based on the CPI-U index change from June 2017 to June 2018 which is 3.28 percent, applied to the City's highest previous levy of \$12,820,999.00; and

WHEREAS, application of this methodology will set the estimated 2019 regular property tax levy rate at \$1.1.23558 per \$1,000.00 of assessed valuation; and

WHEREAS, on May 16, 2006, Shoreline Proposition No. 1 (Parks and Open Space General Obligations Bonds) for the issuance of \$18,795,000.00 in unlimited general obligation bonds was approved by the voters;

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

**Section 1. Regular Property Tax Levy.** Based on the voter-approved limitation on annual levy increases, the City Council of the City of Shoreline has determined that the property tax levy for the year 2019 is fixed and established in the amount of \$13,443,401.00. This property tax levy represents a dollar increase of \$419,936.00 and a percentage increase of 3.28

percent from the levy amount of the previous year, excluding the addition of new construction, improvements to property, any increase in the value of state assessed property, any annexations that have occurred, and administrative refunds made as shown below:

	<b>Amount</b>
<b>2019 Regular Levy</b>	<b>\$13,443,401</b>
Less 2018 Levy	12,820,999
Less New Construction	170,944
Less Refunds	31,522
<b>Total Increase</b>	<b>\$419,936</b>
<b>Percent Increase</b>	<b>3.28%</b>

**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 the 2006 voter-approved unlimited general obligation bonds for the fiscal year of 2019 in the amount of \$1,695,100.00. 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 Administrative Services 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. Corrections by City Clerk or Code Reviser.** Upon approval of the City Attorney, the City Clerk and/or the Code Reviser are authorized to make necessary corrections to this ordinance, including the corrections of scrivener or clerical errors; references to other local, state, or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering and references.

**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.

**Section 6. 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.

**ADOPTED BY THE CITY COUNCIL ON NOVEMBER 19, 2018.**

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Mayor Will Hall

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Jessica Simulcik-Smith  
City Clerk

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Margaret King  
City Attorney

Date of Publication:           , 2018  
Effective Date:               , 2019