

CITY OF BAINBRIDGE ISLAND CITY COUNCIL AGENDA BILL



PROCESS INFORMATION

| | |
|--|------------------------|
| Subject: Ordinance No. 2014-34, Property Tax Levy for Collection in 2015 | Date: October 28, 2014 |
| Agenda Item: Ordinances/2 nd Reading | Bill No.: 14-154 |
| Proposed By: Finance Director Ellen Schroer | Referral(s): |

BUDGET INFORMATION

| | | |
|----------------------|---|--|
| Department: Finance | Fund: N/A | Munis Contract # N/A |
| Expenditure Req: N/A | Budgeted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Budget Amend. Req? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

REFERRALS/REVIEW

| | | |
|---|---|--|
| October 7, 2014 Study Session | Recommendation: Consider Approval | |
| City Manager <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A | Legal <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A | Finance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |

DESCRIPTION/SUMMARY

Action Item:

Consider approval of Ordinance No. 2014-34 relating to the levy of property taxes for the City of Bainbridge Island for the fiscal year commencing January 1, 2015

History:

Part of the process for approving the 2015 Budget includes setting the Property Tax Levy for collection in 2015. The budget proposes an increase in the dollar amount being collected (plus charges on new construction) in the amount allowed by Initiative 747 as calculated by the Kitsap County assessor. The dollar increase for the Property Tax is \$61,054, the new construction amount is \$53,882 and the tax refund amount is \$18,134 bringing the total levy to \$6,992,453 on total assessed valuation of \$5,713,489,997. Assessed valuation would decrease the levy rate from \$1.309 to \$1.221 per \$1,000.

In addition, Ordinance No. 2014-34 proposes to levy \$607,700 to pay the 2015 debt service cost of the Open Space General Obligation Bonds (the levy is equal to the amount of the debt service) decreasing that levy rate from \$.116 to \$.106.

Budget:

The revenue estimates in the 2015 budget reflect the dollars stated in this agenda bill and Ordinance No. 2014-34.

RECOMMENDED ACTION

Motion:

I move that the City Council approve Ordinance No. 2014-34 relating to the levy of property taxes for the City of Bainbridge Island for the fiscal year commencing January 1, 2015.

ORDINANCE NO. 2014-34

AN ORDINANCE of the City of Bainbridge Island, Washington, relating to the levy of property taxes for the City of Bainbridge Island, for the fiscal year commencing January 1, 2015, on all real and personal property within the City that is subject to taxation; levying both general property taxes for the purpose of providing sufficient revenue to carry on the normal activities of the City as required by law, and special levy taxes as authorized by the voters in the November 6, 2001 election.

WHEREAS, the City Council of Bainbridge Island has considered the financial requirements of the City for 2015 as set forth in the City Manager's Proposed 2015 Budget, and the amounts necessary and available to be raised by ad valorem taxes on real, personal, and utility property which are included therein; and

WHEREAS, the population of the City is greater than 10,000; and

WHEREAS, the City Council has properly given notice of the public hearing held on _____ to consider the City's revenue sources for the City's 2015 General Fund budget; and

WHEREAS, the previous year's actual levy was \$6,859,383; and

WHEREAS, the City Council after hearing and duly considering all relevant evidence and testimony presented, has determined that the City requires an increase in property tax revenue from the previous year equal to 0.8901 percent of the amount levied for collection in 2015 as authorized by RCW 84.55.005, in addition to the increase resulting from the addition of new construction and improvements to property and any increase in the value of state-assessed property, in order to discharge the expected expenses and obligations of the City and in its best interest; and

WHEREAS, at an election held on November 6, 2001, the voters of the City approved and authorized the City to issue general obligation bonds to finance the costs of acquiring and preserving forested areas, open space, wildlife habitat, and farms and agricultural lands and creating new trails and passive parks, and to levy excess property taxes to repay such bonds (referred to as the "2002 Unlimited Tax General Obligation Bonds" and the "Unlimited General Obligation Bonds, 2004"); and

WHEREAS, the debt service on such bonds for the year 2015 will be \$607,700; now, therefore,

THE CITY COUNCIL OF THE CITY OF BAINBRIDGE ISLAND, DOES ORDAIN AS FOLLOWS:

Section 1. The 2014 regular property tax levy for collection in 2015 is declared to be the previous year's levy of \$6,859,383 plus an increase of \$61,054 which is an increase of 0.8901 percent, plus an increase equal to the amount allowed under the new construction provisions of RCW 84.55.010 (\$53,882) and any increase in the value of state-assessed property, and any additional amounts resulting from any refunds made (\$18,134). The total is \$6,992,453.

Section 2. In addition to City's regular property tax levy described in Section 1 above, there is levied for collection in 2015, upon all property, both real and personal within the City and within the area subject to taxation, a voter-approved special levy property tax to pay the debt service on the City's 2004 Unlimited Tax General Obligation Bonds which were refunded in 2013. The special levy to pay the 2015 debt service on the refunded debt service amount is \$607,700.

Section 3. This ordinance shall be certified to the proper Kitsap County officials, as provided by law. The taxes levied in this ordinance shall be collected and paid to the Director of Finance and Administrative Services of the City of Bainbridge Island 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. This ordinance shall take effect on January 1, 2015 after its passage, approval and publication as required by law.

PASSED by the City Council this ___ day of _____.

APPROVED by the Mayor the ___ day of _____.

Anne S. Blair, Mayor

ATTEST/AUTHENTICATE:

Rosalind D. Lassoff, City Clerk

FILED WITH THE CITY CLERK
PASSED BY THE CITY COUNCIL
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO:

October 1, 2014
_____, 2014
_____, 2014
January 1, 2015
2014-34

2015 TAX YEAR LEVY LIMIT CALCULATION

CITY OF BAINBRIDGE ISLAND

District # 8730

Previous Year's Levy Including Any Refunds & Canceled Taxes Levied = 6,859,383

The district's resolution or ordinance must authorize any increase in terms of both the dollars and percentage over the previous year's levy. This increase is exclusive of new construction, increases in state assessed property (utilities), any annexations and refunds requested.

Highest Allowed Levy Since 1986 = 6,851,918

Differences between this amount and the previous year's levy are refunds and canceled taxes levied last year which are not included in this amount and/or any banked capacity your district may have.

1% Increase to Highest Allowed Levy = 6,920,437

This is the maximum allowed but may change to match what is authorized by resolution or is lawfully allowed for your district. It is exclusive of the items listed under the previous year's levy. The dollar and percent increase over the previous year's actual levy to collect this amount is \$61,054 and 0.8901%.

Amount due to New Construction = 53,882

New construction assessed value 41,101,784 X 1.310946 (the prior year's levy rate) = 53,882

Amount due to Increase in Utilities = 0

This amount will be zero until the values are received from the Department of Revenue. Since this amount may be unknown when you have your budget hearings, you may want to add an amount in your budget or levy certification in order to collect any unknown amount due to an increase in utilities.

AV of Annexed Property = 0

Amount due to Annexations = 0

The amount due for annexations is set when assessed values are final in January. Districts with annexations may want to add an amount in the budget or levy certification for any increases allowed.

Current Total Assessed Value = 5,713,489,997

This amount may fluctuate until values are final in January.

Tax Refunds & Canceled Taxes Less Supplements = 18,134

Please include a dollar amount for refunds and canceled taxes in your budget and or levy certification to show the district's intent to collect these amounts.

Projected Levy Rate = 1.220676

Maximum Levy Rate = 2.340000

Maximum levy rates for cities are estimated until final levy rates for Fire and Library Districts are known.

ESTIMATED TOTAL LEVY LIMIT AMOUNT = 6,992,453

Estimate of Allowable 2014 Property Tax Levy For taxes payable in 2015

September 24, 2014

Enclosed you will find **estimated levy limit calculations for the 2014 regular levies** to which your district is entitled. The estimate is based upon a 1% increase over the highest allowable levy since 1986. Also included is our estimate of additional amounts attributable to new construction, annexations, refunds and abatements. The assessed valuation of state-assessed utilities is not yet available. Your district may want to include an additional amount in the budget and/or levy certification in the event there is an increase to state-assessed utilities. The **IPD** is not known yet, but is estimated to be above 1%.

If additional property taxes are required, your district's voters must approve them.

RCW 84.52.020 requires all taxing districts to "certify to the county legislative authority, for the purpose of levying district taxes, their budgets or estimates of the amounts to be raised" by property tax. Please send the original document to the address below.

In order to receive new construction, annexation, state-assessed utilities and refunds, the district may use the Ordinance/Resolution form provided by the Department of Revenue. If the district writes their own ordinance or resolution, it must include wording to request those items. The district's resolution/ordinance must reflect the dollar increase and percentage change over the previous year's actual levy according to RCW 84.55.120.

The total amount to be levied may not exceed the district's budget and/or levy certification. If your district wants to collect refunds and cancellations, the amount to be collected should be specified on the levy certification form to indicate the district's intent to levy refunds and cancellations. The enclosed Department of Revenue Levy Certification form provides a specific area to request the refund amount. The levy calculation sheet lists the total amount determined for refunds and canceled taxes.

Please mail an **original** of the resolution/ordinance by which property taxes are levied to:

Jim Avery
Kitsap County Assessor
614 Division Street MS-22
Port Orchard, WA 98366

We recommend that you schedule your budget hearings now, as all levy-related documents must be **received no later than November 30, 2014.**

If you have any questions please contact our Levy Specialist, Shannon Lewis at 360-337-7094 (slewis@co.kitsap.wa.us) or Administration Supervisor, Maxine Schoales at 360-337-4511 (mschoale@co.kitsap.wa.us).

The following are links to the Department of Revenue's Ordinance/Resolution form and Levy Certification form that you may use. Both are fill in formats.

<http://dor.wa.gov/docs/forms/PropTx/Forms/OrdinanceResolution.doc>

<http://dor.wa.gov/docs/forms/PropTx/Forms/LevyCertf.doc>

