## STAFF REPORT

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| **Agenda Item:** | 8 | **Name:** | Andrew Kim |
| **Proposed No**.: | 2019-0430 | **Date:** | December 11, 2019 |

**SUMMARY**

Proposed Ordinance 2019-0430 would fulfill RCW 84.52.070 which annually requires the county legislative authority to certify to the county assessor the amount of property taxes levied for the county and all taxing districts within the county, except cities having a population of 300,000 or more, for the following year. The proposed ordinance would certify the property tax levy amounts for next year (2020). This annual proposed ordinance is referred to as the “property tax levy certification ordinance” and is necessary for the Treasury Section of the Finance and Business Operations Division to issue property tax statements in the correct amounts.

RCW 84.52.020 requires the taxing districts to submit to the county legislative authority the amount of property tax levy that will be collected by that taxing district for the following year by November 30th of each year.[[1]](#footnote-1) The Department of Assessments compiles the submitted levy amounts for all the required taxing districts and those values are submitted to council to be included in the property tax levy certification ordinance.

Each year the property tax levy certification proposed ordinance is transmitted by the executive with blanks in place of the levy amounts. The proposed ordinance is usually transmitted in September along with the biennial budget proposed ordinance during budget years. For consistency, during non-budget years, the proposed ordinance is also transmitted in September. The proposed ordinance include blanks in place of levy amounts since the proposed ordinance is transmitted in September and the levy amounts are not received from the taxing districts until November 30th.

Striking Amendment S1 would replace the blanks with the submitted levy amounts from the taxing district and also county levy amounts as compiled by the Department of Assessments.

**ANALYSIS**

***Relieve the Committee.*** The property tax levy certification proposed ordinance is usually taken up at the last council meeting of the year to allow the Department of Assessments ample time to compile the levy amounts from the taxing districts. The proposed ordinance is subject to a motion to relieve the committee since the Budget and Fiscal Management Committee did not have time to take up the item. The property tax levy certification proposed ordinance is usually subject to a motion to relieve the committee.

***Identical Ordinance for January.*** Along with this proposed ordinance, the executive also submitted Proposed Ordinance 2019-0431 which is an identical ordinance that also contain blanks in place of levy amounts. The purpose of the second ordinance is to amend any incorrect levy amounts that may have been corrected after further due diligence by the Department of Assessments. The council usually relieves the committee to take up this second ordinance at the first council meeting of the year. Staff and legal counsel (PAO) is currently working with the Department of Assessments to determine if action on the second ordinance would be necessary for the 2020 levy certification.

***November 30th Requirement.*** RCW 84.52.070 requires the county legislative authority to certify to the county assessor by November 30th each year. However, RCW 84.52.020 also requires the taxing districts to submit to the county legislative authority the amount of property tax levy that will be collected by that taxing district for the following year by November 30th of each year. It should be also noted that RCW 84.52.070 (3) states that if the levy amount is not certified to the county assessor by November 30th, the county assessor may use no more than the certified levy amount for the previous year for the taxing district. Due to this timing conflict in state law, the county has usually adopted the property tax levy certification ordinance in December (and January to update the levy amounts). Legal counsel is aware of this timing conflict and sees no issues and the Washington State Department of Revenue has not raised this as an issue.

**ATTACHMENTS**

1. Proposed Ordinance 2019-0430
2. Striking Amendment S1
3. Transmittal Letter
4. Fiscal Note

1. RCW 84.52.020 requires taxing districts a resolution/ordinance stating the amount of property tax levy that will be collected for the following year. For some larger taxing districts, such an ordinance submitted is also the same ordinance that implements RCW 84.55.120 which requires a public hearing on the increase of property tax levies for the following year within the limit factor as prescribed by RCW 84.55.005 and 84.55.010. Such an ordinance is also referred to as the “Sunshine Ordinance”. King County also adopts such an ordinance for its own county levies and the Sunshine Ordinance for the county was adopted at the November 20, 2019 council meeting (Ordinance 19023). [↑](#footnote-ref-1)