Legislation Details (With Text)

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On agenda:		**Final action:**	11/9/2015
Enactment date:	11/20/2015	**Enactment #:**	18152
Title:	AN ORDINANCE relating to county property tax levies for collection in 2016; implementing RCW 84.55.0101, finding substantial need and providing for a limit factor of one hundred and one percent in accordance with RCW 84.55.0101.		
Sponsors:	Joe McDermott		
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Date	Ver.	Action By	Action	Result
11/9/2015	1	Metropolitan King County Council	Hearing Held	
11/9/2015	1	Metropolitan King County Council	Passed as Amended	Pass
10/28/2015	1	Budget and Fiscal Management Committee	Recommended Do Pass	Pass
10/19/2015	1	Metropolitan King County Council	Introduced and Referred	

AN ORDINANCE relating to county property tax levies for collection in 2016; implementing RCW 84.55.0101, finding substantial need and providing for a limit factor of one hundred and one percent in accordance with RCW 84.55.0101.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. **Findings:**

A. RCW 84.55.0101 allows the county council to set limit factors for regular property tax levies to a maximum of one hundred one percent upon a finding of substantial need.

B. King County provides criminal justice, transit, elections, assessments, natural resources and parks, public health and human services to two million residents. The demand for these services provided by King County continues to grow - fueled by an expanding population. To ensure King County maintains its

commitments to adequate levels of basic services for a growing population, it must provide for the cost of those services. Setting the limit factor for regular property tax levies to the maximum of one hundred and one percent allows King County to strive to meet service demands at a local level.

C. The total adopted King County budget for the 2015/2016 biennium is $8.9 billion, and the total adopted general fund budget for the 2015/2016 biennium is $1.5 billion.

D. The general fund and other funds are continuing to experience a fiscal shortfall that is the result of revenue growth that is not keeping pace with the increasing costs of providing services.

E. To address the shortfall, King County has aggressively reviewed all expenditures in the general fund and other property-tax-supported funds for reductions and has reviewed possibilities for enhanced revenues.

F. King County reduced the general fund budget and other property-tax-supported budgets below the amounts necessary to sustain current service levels through direct service reductions and efficiencies.

G. Despite King County's efforts, the fiscal shortfall is expected to continue in 2017 and thereafter, with the general fund shortfall for the 2017/2018 biennium currently projected to total $48 million.

H. The 2015/2016 Biennial Budget Ordinance assumes that property taxes increase by the one hundred and one-percent limit factor, and any increase less than that would require substantial direct service reductions.

I. State law limits annual property tax increases to the lesser of one percent and the implicit price deflator. For 2016, the state has advised King County that the implicit price deflator is 0.251 percent.

J. Since 1998, the implicit price deflator has only been less than one percent on three occasions-in 1999, 2010 and 2016. For all other years, the implicit price deflator has exceeded one percent-ranging from 1.16 percent in 2003 to a high of 4.527 percent in 2009. In those years, King County's annual property tax increases were limited to an increase of one percent.

K. Because of the findings in subsections A. through J. of this section, the King County council finds that a substantial need exists for the use of property tax limit factors up to the maximum of one hundred one percent.

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SECTION 2. The limit factors to be used for county property tax levies for taxes to be collected in 2016 shall be as follows:

Levy	Limit Factor
Regular Levy	One hundred one percent
Emergency Medical Services (EMS)	One hundred one percent
County Road District	One hundred one percent
Conservation Futures	One hundred one percent
Transit	One hundred one percent
Ferry District	One hundred one percent