

CITY COUNCIL AGENDA TOPIC

Resolution providing for the banking of levy capacity pursuant to RCW 84.55.005, 84.55.0101 and 84.55.092.

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Finance and Asset Management Department

EXECUTIVE SUMMARY

Staff will present an Ordinance and a Resolution related to the 2023 property tax levy and preserving banked capacity in accordance with Council direction (listed in order):

ACTION

1. **Property Tax Increase** – Levies the regular and voted property tax including new construction and other increases allowed under RCW 84.55.010 and refund amounts, including the statutorily available one percent allowable increase for 2024 (presented for adoption earlier).
2. **Preserve Banked Capacity** – Resolution preserving the full levy amount available to the city to ensure sufficient capacity to fund operating costs of new facilities and maintain current levels of service. This Resolution is the last of the two property levy related actions.

These actions are required to submit the City's certified property tax actions to King County by the November 30, 2023, deadline.

RECOMMENDATION

Move to adopt Resolution No. 10319.

BACKGROUND/ANALYSIS

Pursuant to RCW 84.55.005; 84.55.0101 and 84.55.092, this Resolution ensures the City's ability to preserve the full levy amount available to ensure sufficient capacity to fund operating costs of new facilities and maintain current levels of service.

POLICY & FISCAL IMPACTS**Policy Impact**

RCW 84.55.005, 84.55.0101, and 84.55.092 require that all optional code cities must adopt, by resolution, their intention to save and the amount of property tax capacity the city intends to bank. The King County Assessor has specified this must be done by November 30.

Fiscal Impact

The City preserves the total existing bank levy capacity of \$8,223,830. Preserving the banked capacity allows the City Council the option to increase property tax at a later date greater than the allowable lesser of one percent or implicit price deflator.

NOTE: Final assessed value to establish the property tax levy and banked capacity information is not yet available from the King County Assessor's Office. As a result, the 2024 assessed value, property tax levy and banked capacity amounts are based on preliminary numbers provided by the County. Should King County determine the actual amounts of the 2024 assessed property valuation and/or Property Tax Levy to be more or less than the amounts estimated herein, the City Manager or his designee is hereby authorized to adjust the budget to reflect the same.

OPTIONS

1. Adopt the Resolution providing for the banking of levy capacity pursuant to RCW 84.55.005, 84.55.0101 and 84.55.092.
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS

Proposed Resolution No. 10319

AVAILABLE IN COUNCIL LIBRARY

N/A