

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION		
SUBJECT: Public Hearing on Property Tax Ordinance No. 15-XXXX, setting the Property Tax Dollar amount for 2016	Agenda Date: November 5, 2015	
	Mayor Carol Benson	
	City Attorney Carol Morris	
	City Clerk – Brenda L. Martinez	
	Community Development/Natural Resource– Barbara Kincaid	
	Finance – May Miller	X
	MDRT & Economic Development – Andy Williamson	
	Police – Chief Kiblinger	
	Public Works – Seth Boettcher	
	Court Administrator – Stephanie Metcalf	
Cost Impact (see also Fiscal Note):		
Fund Source: Various		
Timeline:		
Agenda Placement: <input checked="" type="checkbox"/> Mayor <input type="checkbox"/> Two Councilmembers <input type="checkbox"/> Committee Chair <input type="checkbox"/> City Administrator		
Attachments: Ordinance No 15-XXXX, Levy certifications, Preliminary KC worksheet and Tax chart		
SUMMARY STATEMENT: Public Hearing for 2016 Property Tax Ordinance setting the Dollar amount.		
<p>Per RCW 84.52.020 the property tax certifications must be filed with King County no later than December 4, 2015 for Property Taxes to be collected in 2016 to be used for Public Safety including Fire, Police and Emergency Services.</p> <p>This public hearing is on an ordinance to set the Property Tax Dollar amount for the 2016 Property Taxes to be collected in 2016. This ordinance includes the allowed 1% increase over last year's levy which is allowed for cities under 10,000 population. A Public Hearing is being held on November 5 and November 19, with council action expected on November 19, 2015.</p> <p>King County has sent a preliminary Levy Limit worksheet showing last year's levy of \$1,453,542 and the allowed 1% increase of \$14,535 and refund of \$1,054, for total base levy of \$1,469,131, which does not include New Construction, State Assessed property and any adjustments. A preliminary estimate has also been included for the New Construction, Annexations, State Assessments and adjustments, but these amounts usually change in the final worksheet which is not expected until about December 4, 2015 after we have already adopted our levy. Since we will not know the final amount until after the adoption, I have included an estimate of \$30,000 to cover the possible additional tax items for a total potential levy of \$1,499,131. Our levy will be adjusted down by King County to the actual final amounts, but cannot be increased.</p> <p>King County estimates our total 2015 city Assessed Valuation at \$659,406,716 an increase of \$69,081,219 over 2014 or a 10.5 % increase. Each property tax bill is calculated by the county and they set the actual levy rate once they have finalized all assessments and individual valuations.</p> <p>All of Black Diamond's Property Taxes funds are used for Public Safety and provide approximately 64% of the revenue needed to cover Public Safety costs.</p>		

FISCAL NOTE (Finance Department): The additional \$14,535 from the allowed one percent increase is included in the 2015 Preliminary Budget, pending Council approval on November 19, 2015.

COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:

Finance Committee reviewed the Property Tax Ordinance's at their October 29, 2015 meeting and recommended approval.

RECOMMENDED ACTION: Adopt Ordinance 15-XXXX, setting the Property Tax dollar amount for 2016 to be used for Public Safety, including Police, Fire and Emergency Services.

RECORD OF COUNCIL ACTION

<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
November 19, 2015		

CITY COUNCIL AGENDA BILL

City of Black Diamond
Post Office Box 599
Black Diamond, WA 98010

ITEM INFORMATION		
SUBJECT: Public Hearing on Property Tax Ordinance No. 15-XXXX, setting the base Property Tax Dollar increase and percentage increase as calculated by King County for 2016 Property Taxes.	Agenda Date: November 5, 2015	
	Mayor Carol Benson	
	City Attorney Carol Morris	
	City Clerk – Brenda L. Martinez	
	Community Development/Natural Resource– Barbara Kincaid	
	Finance – May Miller	X
	MDRT & Economic Development – Andy Williamson	
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Attachments: Ordinance No 15-XXXX, Levy certifications, Preliminary KC worksheet and Tax chart		
SUMMARY STATEMENT: Public Hearing for 2016 Property Tax Ordinance setting the base Dollar amount increase and percentage increase as calculated by King County.		
<p>Per RCW 84.52.020 the property tax certifications must be filed with King County no later than December 4, 2015 for Property Taxes to be collected in 2016 to be used for Public Safety including Fire, Police and Emergency Services. This public hearing is on an ordinance to set the Property Tax Dollar and percentage increase as calculated by King County for the 2016 Property Taxes to be collected in 2016. This ordinance includes the calculations prepared by King County. A Public Hearing is being held on November 5 and November 19, with council action expected on November 19, 2015.</p>		
<p>King County has sent a preliminary Levy Limit worksheet showing a base increased allowed dollar amount of \$11,215 at .77%. This was calculated by King County with a revised actual 2015 levy which reduces the allowed 1% increase of \$14,535 to a net increase of \$11,215 or .77%. The base levy rate also decreased from \$2.42 per thousand of Property Value to \$2.24. This base rate does not include New Construction, State Assessed property, refunds and any adjustments.</p>		
<p>King County estimates our total 2015 city Assessed Valuation at \$659,406,716 an increase of \$69,081,219 over 2015 or a 10.5 % increase. Each property tax bill is calculated by the county and they set the actual levy rate once they have finalized all assessments and individual valuations.</p>		
<p>All of Black Diamond's Property Taxes funds are used for Public Safety and provide approximately 64% of the revenue needed to cover Public Safety costs.</p>		
<p>FISCAL NOTE (Finance Department): The additional \$14,535 from the allowed one percent increase is included in the 2015 Preliminary Budget, pending Council approval on November 19, 2015.</p>		

COUNCIL COMMITTEE REVIEW AND RECOMMENDATION:

Finance Committee reviewed the Property Tax Ordinance's at their October 29, 2015 meeting and recommended approval.

RECOMMENDED ACTION: Adopt Ordinance 15-XXXX, setting the base Property Tax dollar amount increase and increase percentage as calculated by King County for 2016 Property Taxes to be used for Public Safety, including Police, Fire and Emergency Services.

RECORD OF COUNCIL ACTION

<i>Meeting Date</i>	<i>Action</i>	<i>Vote</i>
November 19, 2 015		

PRELIMINARY LEVY LIMIT WORKSHEET – 2016 Tax Roll

TAXING DISTRICT: City of Black Diamond

The following determination of your regular levy limit for 2016 property taxes is provided by the King County Assessor pursuant to RCW 84.55.100.

Annexed to Library District (Note 1) Estimated Library rate: 0.42664

Using Limit Factor For District	Calculation of Limit Factor Levy	Using Implicit Price Deflator
1,453,542	Levy basis for calculation: (2015 Limit Factor) (Note 2)	1,453,542
1.0100	x Limit Factor	1.0025
1,468,077	= Levy	1,457,190
4,962,483	Local new construction	4,962,483
0	+ Increase in utility value (Note 3)	0
4,962,483	= Total new construction	4,962,483
2.42103	x Last year's regular levy rate	2.42103
12,014	= New construction levy	12,014
1,480,091	Total Limit Factor Levy	1,469,204
Annexation Levy		
0	Omitted assessment levy (Note 4)	0
1,480,091	Total Limit Factor Levy + new lid lifts	1,469,204
659,406,716	÷ Regular levy assessed value less annexations	659,406,716
2.24458	= Annexation rate (cannot exceed statutory maximum rate)	2.22807
0	x Annexation assessed value	0
0	= Annexation Levy	0
Lid lifts, Refunds and Total		
0	+ First year lid lifts	0
1,480,091	+ Limit Factor Levy	1,469,204
1,480,091	= Total RCW 84.55 levy	1,469,204
1,054	+ Relevy for prior year refunds (Note 5)	1,054
1,481,145	= Total RCW 84.55 levy + refunds	1,470,258
	Levy Correction: Year of Error _____ (+or-)	
1,481,145	ALLOWABLE LEVY (Note 6)	1,470,258
Increase Information (Note 7)		
2.24618	Levy rate based on allowable levy	2.22967
1,456,826	Last year's ACTUAL regular levy	1,456,826
11,251	Dollar increase over last year other than N/C – Annex	364
0.77%	Percent increase over last year other than N/C – Annex	0.03%
Calculation of statutory levy		
	Regular levy assessed value (Note 8)	659,406,716
	x Maximum statutory rate	3.17336
	= Maximum statutory levy	2,092,535
	+Omitted assessments levy	0
	=Maximum statutory levy	2,092,535
	Limit factor needed for statutory levy	Not usable

ALL YEARS SHOWN ON THIS FORM ARE THE YEARS IN WHICH THE TAX IS PAYABLE.
Please read carefully the notes on the reverse side.



King County

Larry Phillips

Councilmember, District Four

Metropolitan King County Council

October 6, 2015

RE: Submission of District Property Tax Levies for 2016 to the County Council

To the Board of Commissioners:

The County Council is required by RCW 84.52.070 to certify annually the amount of property taxes levied in King County. In order to make this certification, we must know the amount of taxes to be levied for each taxing district.

**THE DEADLINE FOR SUBMITTING 2016 PROPERTY TAX LEVIES IS
DECEMBER 4, 2015**

In order for your district to receive property taxes in an amount greater than the 2015 certified amount, if permitted by law, we must receive your resolution by December 4, 2015. This applies to basic levies provided for by State law as well as any excess levies approved by a vote of the people. Please remember that the Assessor is required to review levy requests to ensure that they do not exceed the allowable levy.

The state Department of Revenue has notified the County Assessor that the implicit price deflator is less than one percent (letter attached).

If you cannot finalize your levy request by December 4, please submit an estimate. If your estimate is higher than the allowable levy, the Assessor will reduce the amount requested for your jurisdiction to an amount no greater than the allowable levy. However, if your estimate is less than the allowable levy, the amount requested can only be increased from the amount certified in your ordinance or resolution to the level of the allowable levy with formal written notification from your Board of Commissioners. This written notification must be filed with the Assessor and the Clerk of the Council by December 4, 2015 for inclusion in the certification ordinance.

Forms are enclosed for you to use in submitting your levy request. Please submit copies of the form and any resolution or ordinance that may be required by RCW 84.55.120 or RCW 84.55.0101 to both the King County Council and the King County Assessor's Office at the following addresses:

Clerk's Office
Metropolitan King County Council
516 Third Avenue Room W-1200
Seattle, WA 98104
Telephone: 206-477-1020
Clerk.council@kingcounty.gov

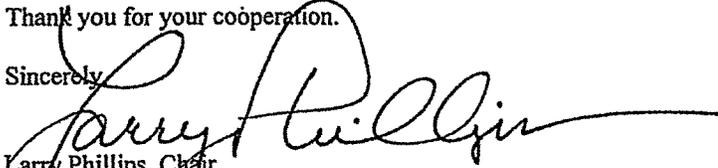
Hazel Gantz
Accounting Division
King County Department of Assessments
500 Fourth Ave. Room 709
Seattle, WA 98104
Fax: 206-296-0106
Telephone: 206-263-2308 or 206-263-2381
Hazel.Gantz@kingcounty.gov

The King County Council may pass an amendatory certification ordinance in January 2016 in order to allow for technical adjustments in the final levy amounts. However, discretionary increases in your levy may not be made in the amendatory certification ordinance.

If you have any questions, please call the Assessor's Office at 263-2308 or 263-2381.

Thank you for your cooperation.

Sincerely,


Larry Phillips, Chair
Metropolitan King County Council

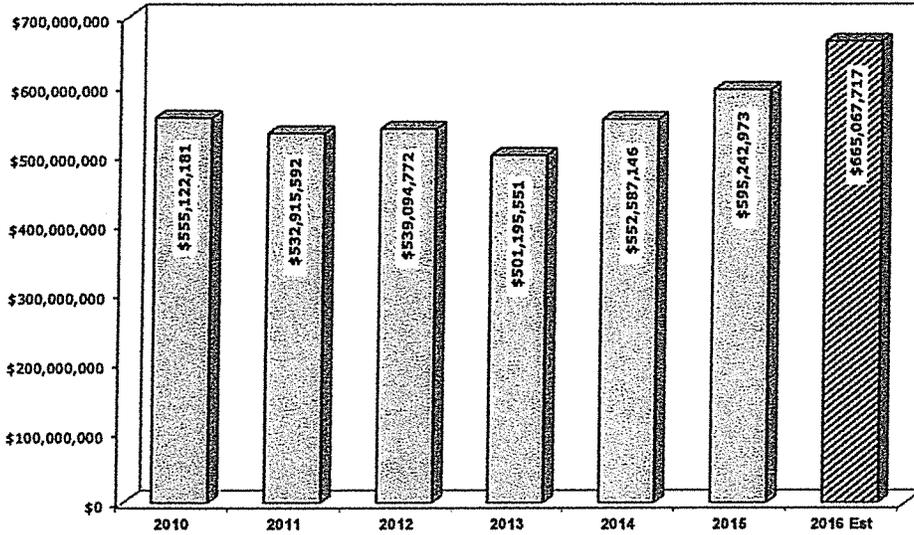
c: Lloyd Hara, Assessor

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Notes:

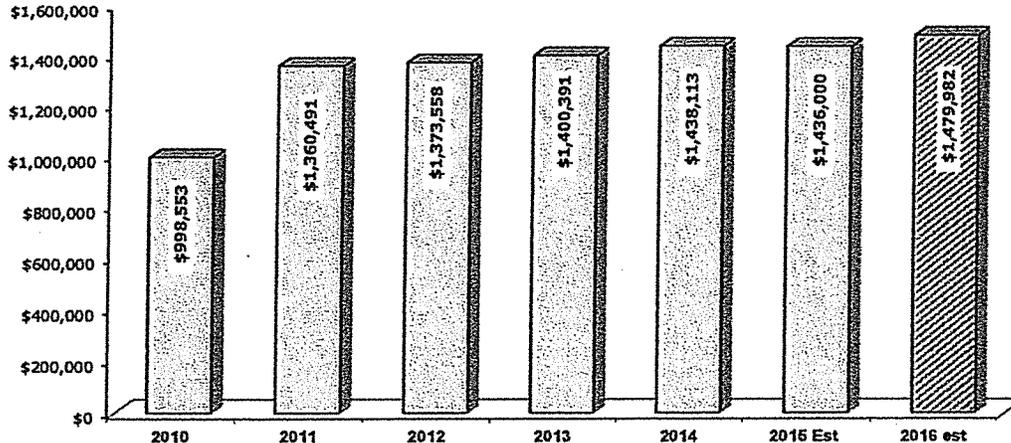
- 1) Rates for fire districts and the library district are estimated at the time this worksheet is produced. Fire district and library district rates affect the maximum allowable rate for cities annexed to them. These rates *will* change, mainly in response to the actual levy requests from the fire and library districts. Hence, affected cities may have a higher or lower allowable levy rate than is shown here when final levy rates are calculated.
- 2) This figure shows the maximum *allowable levy*, which may differ from any actual prior levy if a district has levied less than its maximum in prior years. The maximum allowable levy excludes any allowable refund levy if the maximum was based on a limit factor. The maximum allowable levy excludes omitted assessments if the maximum was determined by your district's statutory rate limit. If your district passed a limit factor ordinance in the year indicated, that limit factor would help determine the highest allowable levy. However, if the statutory rate limit was more restrictive than your stated limit factor, the statutory rate limit is controlling.
- 3) Any increase in value in state-assessed property is considered to be new construction value for purposes of calculating the respective limits. State-assessed property is property belonging to inter-county utility and transportation companies (telephone, railroad, airline companies and the like).
- 4) An omitted assessment is property value that should have been included on a prior year's roll but will be included on the tax roll for which this worksheet has been prepared. Omitted assessments are assessed and taxed at the rate in effect for the year omitted (RCW 84.40.080-085). Omitted assessments tax is deducted from the levy maximum before calculating the levy rate for current assessments and added back in as a current year's receivable.
- 5) Administrative refunds under RCW 84.69.020 were removed from the levy lid by the 1981 legislature.
- 6) A district is entitled to the lesser of the maximum levies determined by application of the limit under RCW 84.55 and the statutory rate limit. Levies may be subject to further proration if aggregate rate limits set in Article VII of the state constitution and in RCW 84.52.043 are exceeded.
- 7) This section is provided for your information, and to assist in preparing any Increase Ordinance that may be required by RCW 84.55.120. The increase information compares the allowable levy for the next tax year with your ACTUAL levy being collected this year. The actual levy excludes any refund levy and expired temporary lid lifts, if applicable. New construction, annexation and refund levies, as well as temporary lid lifts in their initial year, are subtracted from this year's *allowable* levy before the comparison is made.
- 8) ***Assessed valuations shown are subject to change from error corrections and appeal board decisions recorded between the date of this worksheet and final levy rate determination.***

Assessed Valuation History and 2016 Estimate



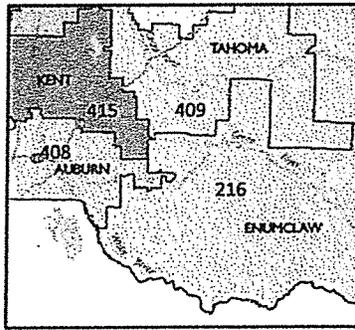
Base Assessed Valuation	552,382,312	529,857,064	536,580,666	499,553,614	548,399,243	593,190,272	660,150,221
New Construction	2,739,869	3,058,528	2,514,106	1,641,937	4,187,903	2,052,701	4,917,496
Final Assessed Valuation	\$555,122,181	\$532,915,592	\$539,094,772	\$501,195,551	\$552,587,146	\$695,242,973	\$665,067,717
% change from prior year	-12.8%	-4.0%	1.2%	-7.0%	10.3%	7.7%	11.7%
Population	4,155	4,180	4,190	4,160	4,160	4,170	4,200
Property Tax Rate	1.77702	2.57	2.59339	2.8264	2.62096	2.41750	2.24177

Property Tax Collection, History and Rates, with 2016 Estimate



Regular Levy Base	978,750	998,553	1,360,491	1,373,558	1,400,391	1,438,113	1,453,542
1% Increase	9,788	9,986	13,605	13,736	14,004	14,381	14,535
New Construction	4,167	3,147	6,461	4,256	11,833	3,145	11,905
Annexations	1,163	0					
Adjustments	4,685	348,806	-6,999	8,841	11,886	-19,640	0
Total Property Taxes	\$998,553	\$1,360,491	\$1,373,558	\$1,400,391	\$1,438,113	\$1,436,000	\$1,479,982
Levy Rate	1.77702	2.57000	2.59339	2.82640	2.62096	2.41750	2.24177
Allowable Levy	3.10	3.10	3.10	3.10	3.10	3.10	3.10
Assessed Valuation	\$555,122,181	\$532,915,592	\$539,094,772	\$501,195,551	\$552,587,146	\$595,242,973	\$665,067,717

Black Diamond School Districts



The total property tax rates in Black Diamond vary because of the four different school districts within our city limits. The pie chart below shows the property tax distribution for the Enumclaw School District in 2015.

2015 Rates	Enumclaw	Tahoma	Kent	Auburn
Local School District	5.21	6.16	5.41	6.14
Washington State for Schools	2.29	2.29	2.29	2.29
King County	1.34	1.34	1.34	1.34
City of Black Diamond	2.42	2.42	2.42	2.42
Port of Seattle	.19	.19	.19	.19
Library District	.50	.50	.50	.50
Emergency Medical Services	.30	.30	.30	.30
King County Flood Levy	.14	.14	.14	.14
Total Levy Rate	\$12.39	\$13.34	\$12.59	\$13.32

