

RESOLUTION NO. 2563

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BONNEY LAKE, PIERCE COUNTY, WASHINGTON, MAKING A DECLARATION OF SUBSTANTIAL NEED FOR THE PURPOSE OF SETTING THE LIMIT FACTOR FOR THE PROPERTY TAX LEVY FOR 2017.

WHEREAS, RCW 84.55.010 provides that a taxing jurisdiction may levy taxes in an amount no more than the limit factor multiplied by the highest levy of the most recent three years plus additional amounts resulting from new construction and improvements to property, newly constructed wind turbines, and any increase in the value of state-assessed utility property ; and

WHEREAS, under RCW 84.55.005(2)(c), the limit factor for a taxing jurisdiction with a population of 10,000 or more is the lesser of 101 percent or 100 percent plus inflation; and

WHEREAS, RCW 84.55.005(1) defines “inflation” as the percentage change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent 12-month period by the Bureau of Economic Analysis of the federal Department of Commerce in September of the year before the taxes are payable; and

WHEREAS, the limit factor for 2017 levy collections is 0.953 percent, meaning the taxes levied in the City of Bonney Lake in 2016 for collection in 2017 will decrease except for the amounts resulting from new construction and improvements to property, newly constructed wind turbines, any increase in the value of state-assessed utility property, any annexations that have occurred, and any prior year refunds;

WHEREAS, RCW 84.55.0101 provides for use of a limit factor of 101 percent or less with a declaration of substantial need by a majority plus one Councilmembers; and

WHEREAS, The City of Bonney Lake has experienced a substantial decrease in development fee revenue, and real estate excise tax as well as other sources of revenue as a result of declining economic conditions; and

WHEREAS, the City of Bonney Lake has reduced staffing and adjusted other operating costs to adjust to current economic conditions; and

WHEREAS, the City of Bonney Lake’s General Fund would benefit from a declaration of substantial need; and

WHEREAS, the City Council of the City of Bonney Lake finds there is a substantial need to set the levy limit at hundred one percent (101%);

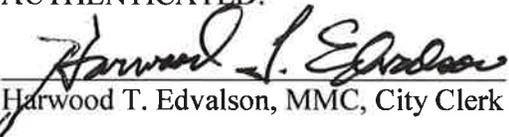
NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Bonney Lake, Washington, does hereby make a declaration of substantial need under RCW 84.55.0101, which authorizes the use of a limit factor of one hundred one percent (101%) for the property tax levy for 2017.

PASSED by the City Council this 8th day of November, 2016.



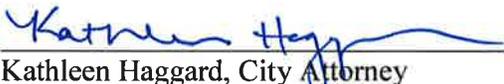
Neil Johnson Jr., Mayor

AUTHENTICATED:



Harwood T. Edvalson, MMC, City Clerk

APPROVED AS TO FORM:



Kathleen Haggard, City Attorney

City of Bonney Lake
City Council Agenda Bill (AB)

Department / Staff Member: Fin/Cherie Gibson	Meeting/Workshop Date: November 8, 2016	Agenda Bill Number: AB16-131
Agenda Item Type: Resolution	Ordinance/Resolution Number: Res 2563	Councilmember Sponsor: McKibbin

Agenda Subject: Resolution of Substantial Need for the Ad Valorem (Property Tax) Levy to be Collected in 2017.

Full Title/Motion: A Resolution of the City Council of the City of Bonney Lake, Pierce County, Washington to Establish Substantial Need in Setting the Amount of the Annual Ad Valorem Tax Levy for Year 2017.

Administrative Recommendation:

Background Summary: The regular levy limit is \$3,005,625, which consists of the lawful regular tax levy multiplied by the 1% limit factor plus the current years assessed value of new construction and improvements and re-levy. However, the property tax limit factor is the lesser of 101% *or* 100% plus inflation. The Pierce County Assessor has certified that the implicit price deflator (IPD) calculation has been established as 0.953%. As such, the rate is limited to 1.00953 instead of 1.01. This limits taxes to be collected in the year 2017 to be \$3,004,246. A difference of \$1,379 less. However, upon a finding of substantial need the legislative authority may provide for the use of a limiting factor of up to 101% as previously used, in order to maintain programs such as street maintenance, police & public safety service levels, animal control and senior services. After years of a recession, the City struggles to get back to pre-recession budget levels. The attached resolution would be in support of establishing Substantial Need for the property tax levy year of 2017.

Attachments:

BUDGET INFORMATION			
Budget Amount	Current Balance	Required Expenditure	Budget Balance
Budget Explanation: Adopt Annual Ad Valorem Property Tax to be collected in 2017			

COMMITTEE, BOARD & COMMISSION REVIEW			
Council Committee:	<i>Approvals:</i>	Yes	No
	Chair/Councilmember	<input type="checkbox"/>	<input type="checkbox"/>
Committee Date:	Councilmember	<input type="checkbox"/>	<input type="checkbox"/>
	Councilmember	<input type="checkbox"/>	<input type="checkbox"/>
Forwarded to:	Consent Agenda: <input type="checkbox"/> Yes <input type="checkbox"/> No		
Commission/Board Review:			
Hearing Examiner Review:			

COUNCIL ACTION	
Workshop Date(s): 11/01/2016	Public Hearing Date(s):
Meeting Date(s): 11/08/2016	Tabled to:

APPROVALS		
Director: <i>Cherie Gibson, CPA</i>	Mayor:	Date Reviewed by City Attorney: (if applicable):