



City of Arlington Council Agenda Bill

Item:
NB #2
Attachment
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COUNCIL MEETING DATE:	
November 21, 2016	
SUBJECT:	
Adopt resolutions to set the regular property tax levy for 2017	
ATTACHMENTS:	
<ol style="list-style-type: none"> 1) A Resolution of the City of Arlington to Increase the 2017 Regular Property Tax Levy 2) A Resolution of the City of Arlington Authorizing an Increase in Tax Levy Capacity Pursuant to RCW 84.55.120 and an Increase in Limit Factor for Maximum Levy Capacity Pursuant to RCW 85.55.0101. 	
DEPARTMENT OF ORIGIN	
Finance; Kristin Garcia – Finance Director 360-403-3431	
EXPENDITURES REQUESTED:	0
BUDGET CATEGORY:	Regular Property Tax Levy
LEGAL REVIEW:	
DESCRIPTION:	
<p>Two resolutions to set the regular property tax levy for 2017 will be presented to Council for approval on November 21, 2016. Each resolution will need to be approved separately. The first resolution is to increase the 2017 regular property tax levy which must state the amount of the increase in terms of dollar and percentage. The resolution reflects an increase of 1% from the prior year levy which is \$39,704.10. The second resolution will authorize an increase in tax levy capacity and increase the limit factor to 101% of the previous year's levy. This resolution also establishes "substantial need" and is required because local governments with a population of 10,000 or more are limited to increase property taxes by the lesser of 1% or the Implicit Price Deflator (<i>the IPD is used to measure inflation on personal consumption expenditures</i>). The IPD is .953%. If the IPD falls below 1%, a substantial need resolution must be adopted to levy the 1% increase.</p>	
HISTORY:	
<p>Presentations to review initial budget assumptions, including the proposed property tax levy were held on the following dates; August 22, 2016, September 12, 2016, September 19, 2016. A budget retreat was held on October 1, 2016 with a follow up discussion held on October 10, 2016. October 24, 2016 the preliminary budget was reviewed with council, which included the proposed property tax levy. A public hearing was held on November 7, 2016.</p>	



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ALTERNATIVES

- 1) No increase in the tax levy and preserve 1% capacity
- 2) Increase the tax levy by the IPD which is .953% and preserve the remaining capacity up to 1%.

RECOMMENDED MOTION:

- 1) I move to approve the resolution to increase the 2017 Regular Property Tax Levy, and authorize the Mayor to sign the resolution.
- 2) I move to approve the resolution authorizing an increase in Tax Levy Capacity pursuant to RCW 84.55.120, and an Increase in Limit Factor for Maximum Levy Capacity pursuant to RCW 85.55.0101, and authorize the Mayor to sign the resolution.

RESOLUTION NO. 2016 - XX

A RESOLUTION OF THE CITY OF ARLINGTON
TO INCREASE THE 2017 REGULAR PROPERTY TAX LEVY

WHEREAS, the City Council of the City of Arlington has met and considered its biennial budget for the years 2017-2018; and

WHEREAS, the City's Regular Property Tax actual levy amount from the previous year (2016) was \$3,970,410; and

WHEREAS, the population of the City of Arlington is more than 10,000, and now therefore,

BE IT RESOLVED by the City Council of the City of Arlington that an increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2017 tax year. The dollar amount of the increase over the actual levy amount from the previous year shall be **\$39,704.10** which is a percentage increase of **1%** from the previous year. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred and refunds made.

PASSED and APPROVED by the Mayor and City Council of the City of Arlington, at a regular meeting held on the 21st day of November, 2016.

Barbara Tolbert, Mayor

ATTEST:

Kristin Banfield, City Clerk

APPROVED AS TO FORM:

Steve Peiffle, City Attorney

RESOLUTION NO. 2016 - XX

A RESOLUTION OF THE CITY OF ARLINGTON
AUTHORIZING AN INCREASE IN TAX LEVY CAPACITY PURSUANT TO RCW 84.55.120 AND
AN INCREASE IN LIMIT FACTOR FOR MAXIMUM LEVY CAPACITY PURSUANT TO RCW
85.55.0101.

WHEREAS, the City Council of the City of Arlington has met and considered its biennial budget for the years 2017 - 2018; and

WHEREAS, increases in regular property taxes imposed by the City are limited by Chapter 84.55 RCW so that the regular property tax levy of the City may increase from year to year by an amount equal to the limit factor (plus increases permitted due to new construction, refunds and increases in value of state assessed property); and

WHEREAS, pursuant to RCW 84.55.005 and 84.55.010, the limit factor for the City's 2016 tax levy (2017 collection) is 1.01 of the City's 2015 tax levy (2016 collection); and

WHEREAS, the highest regular tax that could have been lawfully levied by the City beginning with the 1985 levy is equal to \$4,010,114 ("Highest Levy Available"); and

WHEREAS, the City has an ongoing need to provide services to its constituents for public safety, maintenance and operations; and

WHEREAS, the City has determined it has substantial need and would like to use its levy capacity for 2017, and

WHEREAS, the City is authorized to increase its Highest Levy Available by one percent, which equals \$39,704; and

BE IT RESOLVED, the City Council of the City of Arlington taxing district has determined that due to a general and operations expense, the City Council finds there is a substantial need to set the levy limit at one hundred one percent (101%).

PASSED and APPROVED by the Mayor and City Council of the City of Arlington, at a regular meeting held on the 21st day of November, 2016.

Barbara Tolbert, Mayor

ATTEST:

Kristin Banfield, City Clerk

APPROVED AS TO FORM:

Steve Peiffle, City Attorney