



Memorandum

Date: 11/21/2023
Meeting of: City Council

File No. AM No. 23-172
Type: Consent Item

TO: Members of the City Council
FROM: Mayor Angela Birney
DEPARTMENT DIRECTOR CONTACT(S):

Finance	Kelley Cochran	425-556-2748
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DEPARTMENT STAFF:

Finance	Haritha Narra	Financial Planning Manager
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TITLE:

Ordinance Establishing the 2024 Property Tax Levy for General Operations

- a. Ordinance No. 3134: An Ordinance of the City of Redmond, Washington, Levying Property Taxes for the City of Redmond for the Fiscal Year Commencing January 1, 2024, on all Property, Both Real and Personal, in Said City Which is Subject to Taxation for the Purpose of Paying Sufficient Revenue to Carry on General Operations, Recognize Voter Approved Levy Lid Lifts for Public Safety and Parks for the Ensuing Year as Required by Law

OVERVIEW STATEMENT:

The property tax ordinance establishes the 2024 property taxes for general operations and for supporting Redmond's Levy Funds for Parks and Public Safety. Pursuant to state law, the City of Redmond may levy property taxes annually for general operations. The Revised Code of Washington (RCW) 85.55.005 allows a jurisdiction over 10,000 in population to raise property taxes by the lesser of the implicit price deflator or 1% plus new construction, annexations, and other miscellaneous adjustments (e.g., refunds) with a simple majority vote

☒ **Additional Background Information/Description of Proposal Attached**

REQUESTED ACTION:

☐ **Receive Information** ☐ **Provide Direction** ☒ **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
2023-2024 Adopted Budget
- **Required:**
RCW 85.55.005
- **Council Request:**

N/A

- **Other Key Facts:**

N/A

OUTCOMES:

Redmond received final property tax figures from King County for 2024 on November 13, 2023. The attached ordinance (Attachment A) is based on the final information provided and will be submitted to King County prior to the November 30, 2023, deadline.

The rate of inflation (Implicit Price Deflator rate) was determined to be 3.67% by the Bureau of Economic Analysis in September, the 1% limitation applies to the 2024 levy. The attached ordinance sets the 2024 total property tax levy at \$32,279,011 with \$25,520,557 for general operations and \$6,758,454 related to three levy lid lifts. Relative to the 2023 total levy, a 1% increase amounting to \$316,427 is included as well as \$281,964 from new construction and \$37,963 from prior year refunds that will be re-levied in 2024.

The City's assessed valuation has decreased from \$38.8 billion in 2023 to \$37.3 billion in 2024, or by 4.0% according to King County's final numbers.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**

N/A

- **Outreach Methods and Results:**

N/A

- **Feedback Summary:**

N/A

BUDGET IMPACT:

Total Cost:

The attached ordinance sets the 2024 regular property tax levy at \$32,279,011, which includes the 1% property tax increase.

Approved in current biennial budget:

☒ **Yes**

☐ **No**

☐ **N/A**

Budget Offer Number:

N/A

Budget Priority:

Strategic and Responsive

Other budget impacts or additional costs:

☐ **Yes**

☐ **No**

☒ **N/A**

If yes, explain:

N/A

Funding source(s):

N/A

Budget/Funding Constraints:
N/A

☐ **Additional budget details attached**

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
11/14/2023	Committee of the Whole - Finance, Administration, and Communications	Receive Information

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
11/21/2023	Business Meeting	Approve

Time Constraints:

Action is necessary prior to November 30, 2023 to meet King County's deadline for property tax collections in 2024

ANTICIPATED RESULT IF NOT APPROVED:

If action is not taken prior to November 30, 2023, Redmond will not comply with the County deadline for submitting 2024 property tax levies

ATTACHMENTS:

Attachment A: 2024 Property Tax Ordinance