



Legislation Text

File #: AM No. 19-185, **Version:** 1

MEMO TO: Members of the City Council

FROM: Mayor John Marchione

SUBJECT:

Adoption of an Ordinance Establishing the 2020 Property Tax Levy

- a. ORDINANCE NO. 2984: An Ordinance Levying Property Taxes for the City of Redmond for the Fiscal Year Commencing January 1, 2020, 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

I. RECOMMENDED ACTION

Adopt the ordinance establishing the 2020 property tax levy for general operations.

II. DEPARTMENT CONTACTS

Malisa Files, Finance Director	425-556-2166
Kelley Cochran, Deputy Finance Director	425-556-2748

III. DESCRIPTION/BACKGROUND

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 percent plus new construction, annexations, and other miscellaneous adjustments (e.g. refunds) with a simple majority vote.

Redmond received preliminary property tax figures from King County for 2020 on

November 1, 2019, which did not include assessed valuation numbers for new construction on state public utilities. As a result, these numbers are estimates and are subject to change once the final worksheets are received from King County. The attached ordinance (Attachment A) is based on preliminary information, as King County must receive Redmond's property tax request by December 2,

2019.

The attached ordinance establishes the 2020 property taxes at \$28,435,726 with \$21,915,159 for general operations and \$6,520,567 supporting Redmond's levy funds.

The City's assessed valuation has increased from \$23.6 billion in 2019 to \$25.8 billion in 2020 or by 9.4% according to King County's preliminary numbers.

These numbers translate into a levy rate of \$1.10 per \$1,000 of assessed valuation for a Redmond property owner. This is a decrease of \$0.04 per \$1,000 of assessed valuation from the 2019 levy rate.

IV. PREVIOUS DISCUSSIONS HELD

Date	Action\Presentation
7/24/2018	Study Session - Revenue and Rate Forecast
12/3/2018	Budget Adoption
11/26/2019	FAC Committee Briefing

V. IMPACT

A. Service/Delivery:

Action is necessary to support general operations in 2020.

B. Fiscal Note:

The attached ordinance sets the 2020 regular property tax levy at \$28,435,726 which includes the 1 percent property tax increase.

VI. ALTERNATIVES TO STAFF RECOMMENDATION

Council alternatives include:

- Adopt the ordinance as presented.
- Adopt the ordinance with changes.
- Do not adopt the ordinance but take action to bank the levy capacity to be used in future years.
- Do not adopt the ordinance and decrease 2020 budgeted expenditures to adjust expected service levels.

VII. TIME CONSTRAINTS

Immediate action is necessary in order to meet King County deadlines for property tax collections in 2020.

VIII. LIST OF ATTACHMENTS

Attachment A - Property Tax Ordinance