

To: Mayor Troy Linnell and City Council Members

From: Tara Dunford, CPA

Date: November 13, 2023

Re: Ordinance No. xx-23 Property Tax Levy for 2024

ATTACHMENTS: Ordinance No. xx-23

TYPE OF ACTION: None. First read.

Discussion: The City must adopt a tax levy ordinance in order to levy property taxes for 2024. The attached ordinance pertains to the regular levy only, exclusive of additional revenue from new construction. The attached ordinance presumes an increase of the maximum allowable (1%). Amounts for this ordinance are provided by King County and are calculated as follows:

Step 1: Calculate 2024 levy based on maximum allowable increase (1%)

Highest lawful regular levy	\$770,881
x 101 percent equals	\$778,590

Step 2: Calculate change from prior year levy

2024 levy	\$778,590 (calculated as shown above)
Less: actual 2023 levy	\$771,507
Dollar increase equals	\$7,083
Percent increase equals	.91805%

Additional revenues related to administrative refunds and new construction are not required to be included in the tax levy ordinance but will be included in the levy certification provided to King County. The percentage increase noted above is less than 1% due to administrative refunds levied in 2023, which are excluded from the highest lawful base levy for 2023. The cost of the 1% increase per \$1,000 of assessed valuation is approximately \$.00807. The annual impact on homes at various assessed valuations is as follows:

\$300,000	- \$2.42
\$400,000	- \$3.23
\$457,000	- \$3.69 (2023 median)
\$500,000	- \$4.04
\$600,000	- \$4.84
\$700,000	- \$5.65
\$800,000	- \$6.46
\$900,000	- \$7.26
\$1,000,000	- \$8.07

CITY OF ALGONA, WASHINGTON

ORDINANCE NO. xxxx-23

AN ORDINANCE OF THE CITY OF ALGONA, KING COUNTY, WASHINGTON, ESTABLISHING THE REGULAR TAX LEVY FOR THE YEAR 2024; PROVIDING FOR SEVERABILITY, AND EFFECTIVE DATE, AND FOR SUMMARY PUBLICATION BY ORDINANCE TITLE ONLY.

WHEREAS, the Algona City Council has met and considered its budget for calendar year 2024; and

WHEREAS, the City's actual levy amount from the previous year was \$771,507; and

WHEREAS, the population of the City is less than 10,000; and

WHEREAS, RCW 84.55.120 requires that property tax increases must be adopted by ordinance and specifically identify the dollar and percentage change from the prior year; and

NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF ALGONA, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. That an increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2024 tax year.

Section 2. The regular property tax levy for calendar year 2024 is hereby authorized to be collected. The dollar amount of the increase from the prior year shall be \$7,083, which is a percentage increase of .91805% from the prior year. This increase is exclusive of additional revenue from the addition of new construction, improvements to property, newly constructed wind turbines, solar, biomass, and geothermal facilities, any increase in the value of state assessed property, and annexations that have occurred and refunds made.

Section 3. This Ordinance shall be certified to the proper County Officials, as provided by law, and taxes herein levied shall be collected to pay to the City of Algona at the time and manner provided by the laws of the State of Washington for the collection of taxes.

Section 4. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other sentence, clause or phrase of this ordinance.

Section 5. Effective Date. This ordinance or a summary thereof consisting of the title shall be published in the official newspaper of the City and shall take effect and be in full force five (5) days after publication.

Passed by the Algona City Council the ____ day of November 2023, and approved by the Mayor, the ____ day of November 2023.

CITY OF ALGONA, WASHINGTON:

Troy Linnell, Mayor

Published: _____

Effective: _____

ATTEST/AUTHENTICATED:

Jessica Griess

City Clerk