

To: Mayor Chris Miller and City Council Members

From: Tara Dunford, CPA

Date: November 6, 2024

Re: Ordinance No 892 Property Tax Levy for 2025

ATTACHMENTS: Ordinance No. 892

TYPE OF ACTION: None. First read.

Discussion: The City must adopt a tax levy ordinance in order to levy property taxes for 2025. 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%) plus levying for banked capacity. Amounts for this ordinance are provided by Grays Harbor County and are calculated as follows:

Step 1: Calculate 2025 levy based on maximum allowable increase (1%)

Highest lawful regular levy	\$348,538
x 101 percent equals	\$352,023

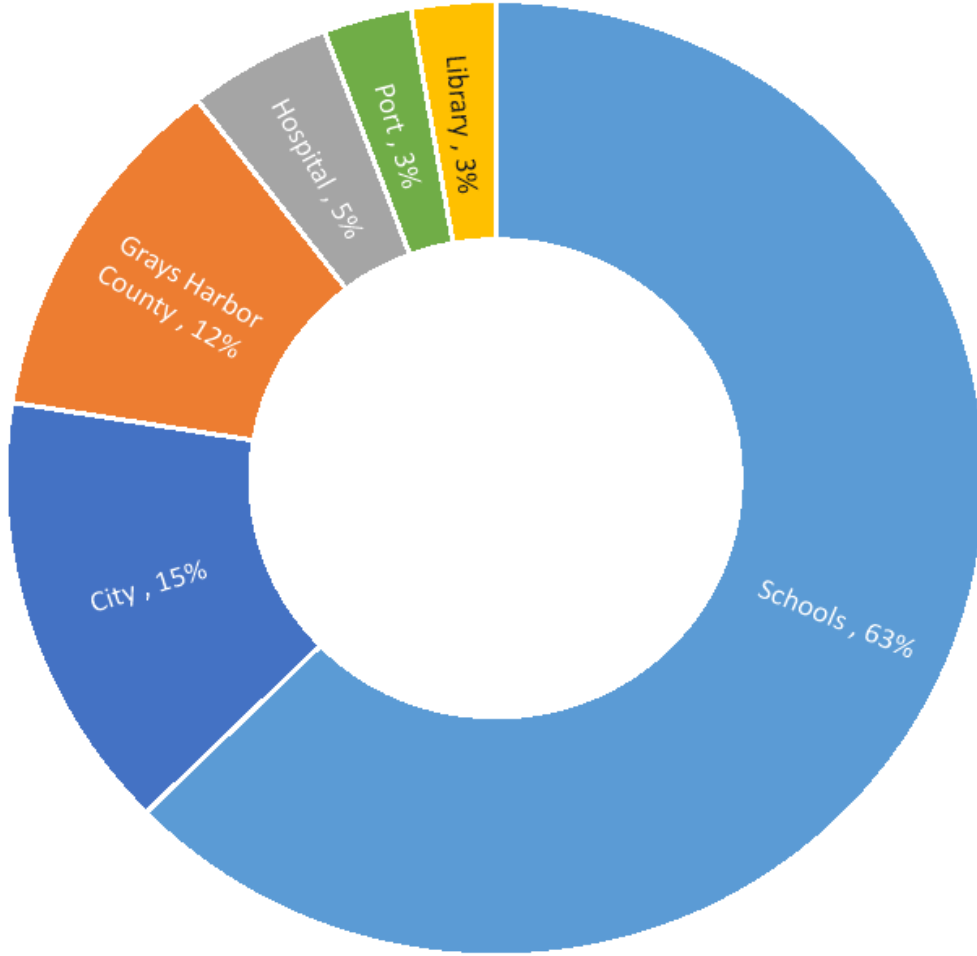
Step 2: Calculate change from prior year levy

2025 levy	\$352,023 (calculated as shown above)
Less: actual 2024 levy	\$332,166
Dollar increase equals	\$19,857
Percent increase equals	5.98%

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 Grays Harbor County. Of the total dollar increase, \$16,535 is banked capacity (increases not taken in prior years) and \$3,322 is the 1% increase related to the current year. The cost of the 1% increase per \$1,000 of assessed valuation is approximately \$.07444. The annual impact on homes at various assessed valuations is as follows:

\$300,000	- \$22.33
\$400,000	- \$29.78
\$500,000	- \$37.22
\$600,000	- \$44.66
\$700,000	- \$52.11
\$800,000	- \$59.55
\$900,000	- \$67.00
\$1,000,000	- \$74.44

Property Tax Distribution



ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MCCLEARY RELATING TO THE ESTABLISHMENT OF THE REGULAR AD VALOREM TAX LEVY FOR THE YEAR 2025; MAKING FINDINGS; AND RESERVING RIGHTS.

R E C I T A L S:

WHEREAS, the City Council of the City of McCleary has met and considered its budget for the calendar year 2025; and

WHEREAS, the City's actual levy amount from the previous year was \$332,166; and

WHEREAS, the City Council of the City of McCleary attest that the city population is less than 10,000 citizens; and

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

NOW, THEREFORE, the City Council of the City of McCleary, Washington do ordain as follows:

SECTION I: Be it ordained that an increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2025 tax year.

SECTION II: The dollar amount of the increase over the actual levy amount from the previous year shall be \$19,857, which is a percentage increase of 5.98 % from the previous year. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, solar, biomass, and geothermal facilities, and any increase in the value of state assessed property, any annexations that have occurred and refunds made.

SECTION III: This ordinance is based upon the information from the Office of the County Assessor as to amounts and calculations, as well as advice from County officials that this ordinance can be amended to modify the tax rate established herein by adoption of an appropriate amendatory ordinance. The City specifically reserves the right to take such amendatory action up to and including the last day allowed. Upon execution by the Mayor, a certified copy of this Ordinance shall be provided to the appropriate officials of the County so as to provide for appropriate assessment.

SECTION IV: Upon execution by the Mayor, a certified copy of this Ordinance shall be provided to the appropriate officials of the County so as to provide for appropriate assessment.

SECTION V: If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The Council hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases had been declared invalid or unconstitutional, and if for any reason this Ordinance should be declared invalid or unconstitutional, then the original ordinance or ordinances shall be in full force and effect.

SECTION VI: This Ordinance shall take effect upon the fifth day following date of publication.

SECTION VII: Corrections by the Clerk-Controller or Code Reviser. Upon approval of the Mayor and City Attorney, the Clerk-Controller and the Code Reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors, references to other local, state, or federal laws, codes, rules, or regulations, or ordinance number and section/subsection numbering.

PASSED THIS _____ DAY OF November, 2024, by the City Council of the City of McCleary, and signed in approval therewith this _____ day of November, 2024.

CITY OF MCCLEARY:

CHRIS MILLER, Mayor

ATTEST:

LINDSAY BLUMBERG, Deputy Clerk-Treasurer

APPROVED AS TO FORM:

CHRISTOPHER JOHN COKER, City Attorney

PUBLISHED: _____