



MEDINA, WASHINGTON

AGENDA BILL

Monday, November 08, 2021

Subject: 2022 Property Tax Levy Resolution

Category: Public Hearing & Resolution

Staff Contact: Julie Ketter, Finance Director

Summary

Pursuant to RCW 84.55, the City is required to certify the estimated property tax to be levied by the King County Assessor's Office. City Council draft budget includes an overall 2.24% increase against allowable levy due to remaining capacity from 2019's voter-approved measure, new construction, estimated increase in utility value and allowable refunds. This 2022 levy amount-- 4,167,873, conforms to the 2019 ballot measure materials and is calculated as follows:

\$2,997,763	2021 Levy basis for calculation, portion to increase by 1%
29,977	1% increase
988,651	2021 Levy basis for calculation, 2019's levy lid lift portion to increase by 5%
49,433	5% increase
88,857	New construction
10,000	Estimated increase in utility value
3,192	Relevy for prior year refunds
<u>\$4,167,873</u>	Total recommended levy for 2022

Attachment(s)

- 1 2022 Property Tax Levy Resolution 420
- 2 King County's Preliminary Levy Limit Worksheet, 2022 Tax Roll
- 3 King County Ordinance 2152 property tax levy form

Budget/Fiscal Impact: \$4,167,873 estimated property tax revenues in 2022

Recommendation: Approve Resolution

City Manager Approval: 

Proposed Council Motion: "I move to approve Resolution 420, adopting the 2022 property tax levy for the City of Medina and setting forth the estimated levy amount."

Time Estimate: 5 minutes

7.1b 2022 Property Tax Levy Resolution No. 420

CITY OF MEDINA, WASHINGTON

RESOLUTION NO. 420

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MEDINA, WASHINGTON, CERTIFYING TO THE GOVERNING AUTHORITY OF KING COUNTY THE ESTIMATES OF THE AMOUNT TO BE LEVIED ON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE CITY FOR THE YEAR 2022

WHEREAS, the City Council of the City of Medina attest that the population of the City is less than ten thousand; and

WHEREAS, the City Council has properly given notice of the public hearing held November 8, 2021 to consider revenue sources for the City's current expense budget for the 2022 calendar year, pursuant to RCW 84.55.120; and

WHEREAS, the voters approved Proposition 1 on November 5, 2019, to increase Medina's regular property tax levy above the limit factor by \$0.20/\$1000 assessed value to a maximum rate of \$0.83712/\$1000 assessed valuation for collection in 2020, set a 5% limit factor for each year 2021-2025, use the 2025 levy amount as the base to compute subsequent levy limits, and exempt low income seniors and disabled; as set forth in Ordinance No. 970; and

WHEREAS, the City Council, after hearing, and after duly considering all relevant evidence and testimony presented, has determined that the City of Medina requires a regular levy in the amount of \$4,167,873, for an increase of \$88,857, representing a 2.24% increase from the previous year, including the levy lid lift, as well as amounts resulting from the addition of new construction and improvements to property, and any possible increase in the value of state-assessed property, and amounts authorized by law as a result of any annexations that have occurred and refunds made, in order to discharge the expected expenses and obligations of the City and in its best interest.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MEDINA, WASHINGTON, RESOLVES AS FOLLOWS:

Effective Date. This Resolution shall be effective upon its adoption by the City Council.

PASSED BY THE CITY COUNCIL OF THE CITY OF MEDINA ON NOVEMBER 8, 2021 AND SIGNED IN AUTHENTICATION OF ITS PASSAGE ON NOVEMBER 8, 2021.

Jessica Rossman, Mayor

Approved as to form:
Ogden Murphy Wallace, PLLC

Attest:

Scott M. Missall, City Attorney

Aimee Kellerman, City Clerk

FILED WITH THE CITY CLERK: XX
PASSED BY THE CITY COUNCIL: XX
RESOLUTION NO. 420

7.1b 2022 Property Tax Levy Resolution No. 420

PRELIMINARY

LEVY LIMIT WORKSHEET – 2022 Tax Roll

TAXING DISTRICT: City of Medina

The following determination of your regular levy limit for 2022 property taxes is provided by the King County Assessor pursuant to RCW 84.55.100.

Annexed to Library District

(Note 1)

Estimated Library rate: 0.29205

Using Limit Factor For District	Calculation of Limit Factor Levy	Using Implicit Price Deflator
4,183,833	Levy basis for calculation: (2021 Limit Factor) (Note 2)	4,183,833
1.0500	x Limit Factor	1.0386
4,393,025	= Levy	4,345,329
136,934,465	Local new construction	136,934,465
0	+ Increase in utility value (Note 3)	0
136,934,465	= Total new construction	136,934,465
0.64890	x Last year's regular levy rate	0.64890
88,857	= New construction levy	88,857
4,481,882	Total Limit Factor Levy	4,434,186
Annexation Levy		
0	Omitted assessment levy (Note 4)	0
4,481,882	Total Limit Factor Levy + new lid lifts	4,434,186
5,332,505,221	÷ Regular levy assessed value less annexations	5,332,505,221
0.84048	= Annexation rate (cannot exceed statutory maximum rate)	0.83154
0	x Annexation assessed value	0
0	= Annexation Levy	0
Lid lifts, Refunds and Total		
0	+ First year lid lifts	0
4,481,882	+ Limit Factor Levy	4,434,186
4,481,882	= Total RCW 84.55 levy	4,434,186
3,192	+ Relevy for prior year refunds (Note 5)	3,192
4,485,074	= Total RCW 84.55 levy + refunds	4,437,378
	Levy Correction: Year of Error _____ (+or-)	
4,485,074	ALLOWABLE LEVY (Note 6)	4,437,378
Increase Information (Note 7)		
0.84108	Levy rate based on allowable levy	0.83214
3,986,413	Last year's ACTUAL regular levy	3,986,413
406,612	Dollar increase over last year other than N/C – Annex	358,916
10.20%	Percent increase over last year other than N/C – Annex	9.00%
Calculation of statutory levy		
	Regular levy assessed value (Note 8)	5,332,505,221
	x Maximum statutory rate	3.30795
	= Maximum statutory levy	17,639,661
	+Omitted assessments levy	0
	=Maximum statutory levy	17,639,661
	Limit factor needed for statutory levy	Not usable

ALL YEARS SHOWN ON THIS FORM ARE THE YEARS IN WHICH THE TAX IS PAYABLE.

Please read carefully the notes on the reverse side.

7.1b 2022 Property Tax Levy Resolution No. 420

Notes:

- 1) Rates for fire districts and the library district are estimated at the time this worksheet is produced. Fire district and library district rates affect the maximum allowable rate for cities annexed to them. These rates *will* change, mainly in response to the actual levy requests from the fire and library districts. Hence, affected cities may have a higher or lower allowable levy rate than is shown here when final levy rates are calculated.
- 2) This figure shows the maximum *allowable levy*, which may differ from any actual prior levy if a district has levied less than its maximum in prior years. The maximum allowable levy excludes any allowable refund levy if the maximum was based on a limit factor. The maximum allowable levy excludes omitted assessments if the maximum was determined by your district's statutory rate limit. If your district passed a limit factor ordinance in the year indicated, that limit factor would help determine the highest allowable levy. However, if the statutory rate limit was more restrictive than your stated limit factor, the statutory rate limit is controlling.
- 3) Any increase in value in state-assessed property is considered to be new construction value for purposes of calculating the respective limits. State-assessed property is property belonging to inter-county utility and transportation companies (telephone, railroad, airline companies and the like).
- 4) An omitted assessment is property value that should have been included on a prior year's roll but will be included on the tax roll for which this worksheet has been prepared. Omitted assessments are assessed and taxed at the rate in effect for the year omitted (RCW 84.40.080-085). Omitted assessments tax is deducted from the levy maximum before calculating the levy rate for current assessments and added back in as a current year's receivable.
- 5) Administrative refunds under RCW 84.69.020 were removed from the levy lid by the 1981 legislature.
- 6) A district is entitled to the lesser of the maximum levies determined by application of the limit under RCW 84.55 and the statutory rate limit. Levies may be subject to further proration if aggregate rate limits set in Article VII of the state constitution and in RCW 84.52.043 are exceeded.
- 7) This section is provided for your information, and to assist in preparing any Increase Ordinance that may be required by RCW 84.55.120. The increase information compares the allowable levy for the next tax year with your ACTUAL levy being collected this year. The actual levy excludes any refund levy and expired temporary lid lifts, if applicable. New construction, annexation and refund levies, as well as temporary lid lifts in their initial year, are subtracted from this year's *allowable* levy before the comparison is made.
- 8) ***Assessed valuations shown are subject to change from error corrections and appeal board decisions recorded between the date of this worksheet and final levy rate determination.***

7.1b 2022 Property Tax Levy Resolution No. 420

By Ordinance 2152 of the Metropolitan King County Council, Taxing Districts are required annually to submit the following information regarding their tax levies for the ensuing year as part of a formal resolution of the District's governing body.

THE KING COUNTY ASSESSOR HAS NOTIFIED THE GOVERNING BODY OF Medina THAT THE ASSESSED VALUATION OF PROPERTY LYING WITHIN THE BOUNDARIES OF SAID DISTRICT FOR THE ASSESSMENT YEAR 2021 IS:

	\$	<u>5,332,505,221</u>
REGULAR (STATUTORY) LEVY (AS APPLICABLE):		
EXPENSE FUND	\$	<u>3,126,597</u>
- TEMP. LID NAME	\$	<u> </u>
- TEMP. LID NAME	\$	<u> </u>
RESERVE FUND	\$	<u> </u>
NON-VOTED G.O. BOND (Limited)	\$	<u> </u>
REFUNDS (Noted on worksheet)	\$	<u>3,192</u>
TOTAL REGULAR LEVY	\$	<u>3,129,789</u>
EXCESS (VOTER APPROVED) LEVY: (Please list authorized bond levies separately.)		
G.O. BONDS FUND LEVY	\$	<u> </u>
G.O. BONDS FUND LEVY	\$	<u> </u>
G.O. BONDS FUND LEVY	\$	<u> </u>
SPECIAL LEVIES (INDICATE PURPOSE AND DATE OF ELECTION AT WHICH APPROVED):		
11/8/19 Voter appv levy lid lift, year 3 of 6	\$	<u>1,038,084</u>
	\$	<u> </u>
TOTAL TAXES REQUESTED:	\$	<u>4,167,873</u>

THE ABOVE IS A TRUE AND COMPLETE LISTING OF LEVIES FOR SAID DISTRICT FOR TAX YEAR 2022 AND THEY ARE WITHIN THE MAXIMUMS ESTABLISHED BY LAW.



(AUTHORIZED SIGNATURE)

November 8, 2021
(DATE)