



# MEDINA, WASHINGTON

## AGENDA BILL

Monday, November 14, 2022

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**Subject:** 2023 Property Tax Levy Resolution

**Category:** Public Hearing & Resolution

**Staff Contact:** Ryan Wagner, Finance Director

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### **Summary**

Pursuant to RCW 84.55, the City is required to certify the estimated City of Medina property tax to be levied and collected by the King County Assessor's Office. The City Council draft 2023 budget includes an overall 3.62% increase against allowable levy due to remaining capacity from the 2019 voter-approved measure, new construction, estimated increase in utility value and allowable refunds. The 2023 levy amount-- \$4,318,656-- conforms to the 2019 ballot measure materials and is calculated as follows:

\$3,129,789 - 2022 Levy basis for calculation, portion to increase by 1%  
    \$31,298 - 1% increase  
\$1,038,084 - 2022 Levy basis for calculation, 2019 levy lid lift portion to increase by 5%  
    \$51,904 - 5% increase  
    \$56,479 - New construction  
    \$10,000 - Estimated increase in utility value  
    \$1,102 - Relevy for prior year refunds  
\$4,318,656 - Total recommended Medina City tax levy for 2023

### **Attachment(s)**

- 1 2023 Property Tax Levy Resolution 428
- 2 King County's Preliminary Levy Limit Worksheet, 2023 Tax Roll
- 3 King County Ordinance 2152 property tax levy form

**Budget/Fiscal Impact:** \$4,318,656 estimated property tax revenues in 2023

**Recommendation:** Approve Resolution No. 428

**City Manager Approval:** 

**Proposed Council Motion:** "I move to approve Resolution No. **428**, adopting the 2023 property tax levy for the City of Medina and setting forth the estimated levy amount."

Time Estimate: 5 minutes

**CITY OF MEDINA, WASHINGTON**

**RESOLUTION NO. 428**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MEDINA, WASHINGTON,  
CERTIFYING TO THE GOVERNING AUTHORITY OF KING COUNTY THE ESTIMATES OF  
THE TAX AMOUNT TO BE LEVIED ON THE ASSESSED VALUATION OF THE PROPERTY  
WITHIN THE CITY FOR THE YEAR 2023**

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

**WHEREAS**, the City Council has properly given advance notice of the public hearing duly held November 14, 2022 to consider the revenue sources for the City's current expense budget for the 2023 calendar year, all pursuant to RCW 84.55.120; and

**WHEREAS**, the voters approved City of Medina 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, to set a 5% limit factor for each year 2021-2025, to use the 2025 levy amount as the base to compute subsequent levy limits, and to exempt low income seniors and disabled persons; all as set forth in Medina Ordinance No. 970; and

**WHEREAS**, the City Council, after hearing, and after duly considering all relevant evidence and testimony presented at the hearing, has determined that the City of Medina requires a regular levy in the amount of \$4,318,656, for an increase of \$150,783, representing a 3.62% 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:**

**Approval and Effective Date.** This Resolution is hereby adopted and shall be effective as of the date of adoption by the City Council set forth below.

**PASSED BY THE CITY COUNCIL OF THE CITY OF MEDINA ON NOVEMBER 14,  
2022 AND SIGNED IN AUTHENTICATION OF ITS PASSAGE ON NOVEMBER 14, 2022.**

\_\_\_\_\_  
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. **428**

**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 2022 IS:

	<u>\$ 7,121,072,719</u>
REGULAR (STATUTORY) LEVY (AS APPLICABLE):	
EXPENSE FUND	\$ <u>3,227,566</u>
- LIDLIFT NAME _____	\$ _____
- LIDLIFT NAME _____	\$ _____
RESERVE FUND	\$ _____
NON-VOTED G.O. BOND (Limited)	\$ _____
<b>REFUNDS</b> (Noted on worksheet)	\$ <u>1,102</u>
<b>TOTAL REGULAR LEVY</b>	<u>\$ 3,228,668</u>
EXCESS (VOTER APPROVED) LEVY: (Please list authorized bond levies separately.)	
G.O. BONDS FUND LEVY _____	\$ _____
G.O. BONDS FUND LEVY _____	\$ _____
G.O. BONDS FUND LEVY _____	\$ _____
 SPECIAL LEVIES (INDICATE PURPOSE AND DATE OF ELECTION AT WHICH APPROVED, EXCEPT LIDLIFTS):	
11/8/19 Voter approved levy lid lift, year 4 of 6	\$ <u>1,089,988</u>
<u>\$1,038,084 (Year 3) + 5% increase</u>	<u>\$ _____</u>
 <b>TOTAL TAXES REQUESTED:</b>	 <u>\$ 4,318,656</u>

THE ABOVE IS A TRUE AND COMPLETE LISTING OF LEVIES FOR SAID DISTRICT FOR TAX YEAR 2023 AND THEY ARE WITHIN THE MAXIMUMS ESTABLISHED BY LAW.

\_\_\_\_\_  
 (AUTHORIZED SIGNATURE)

\_\_\_\_\_  
 (DATE)

# PRELIMINARY

## LEVY LIMIT WORKSHEET – 2023 Tax Roll

TAXING DISTRICT: City of Medina

The following determination of your regular levy limit for 2023 property taxes is provided by the King County Assessor pursuant to RCW 84.55.100.

Annexed to Library District

(Note 1)

Estimated Library rate: 0.23474

Using Limit Factor For District	Calculation of Limit Factor Levy	Using Implicit Price Deflator
4,482,053	Levy basis for calculation: (2022 Limit Factor) (Note 2)	4,482,053
<b>1.0500</b>	x Limit Factor	<b>1.0646</b>
4,706,156	= Levy	4,771,459
72,661,874	Local new construction	72,661,874
0	+ Increase in utility value (Note 3)	0
72,661,874	= Total new construction	72,661,874
0.77728	x Last year's regular levy rate	0.77728
56,479	= New construction levy	56,479
<b>4,762,635</b>	Total Limit Factor Levy	<b>4,827,938</b>
<b>Annexation Levy</b>		
0	Omitted assessment levy (Note 4)	0
4,762,635	Total Limit Factor Levy + new lid lifts	4,827,938
7,121,072,719	÷ Regular levy assessed value less annexations	7,121,072,719
0.66881	= Annexation rate (cannot exceed statutory maximum rate)	0.67798
0	x Annexation assessed value	0
<b>0</b>	= <b>Annexation Levy</b>	<b>0</b>
<b>Lid lifts, Refunds and Total</b>		
0	+ First year lid lifts	0
4,762,635	+ Limit Factor Levy	4,827,938
<b>4,762,635</b>	= Total RCW 84.55 levy	<b>4,827,938</b>
1,102	+ Relevy for prior year refunds (Note 5)	1,102
4,763,737	= Total RCW 84.55 levy + refunds	4,829,040
	Levy Correction: Year of Error _____ (+or-)	
<b>4,763,736</b>	<b>ALLOWABLE LEVY (Note 6)</b>	<b>4,829,040</b>
<b>Increase Information (Note 7)</b>		
0.66896	Levy rate based on allowable levy	0.67813
4,167,490	Last year's ACTUAL regular levy	4,167,490
538,666	Dollar increase over last year other than N/C – Annex	603,969
12.93%	Percent increase over last year other than N/C – Annex	14.49%
<b>Calculation of statutory levy</b>		
	Regular levy assessed value (Note 8)	7,121,072,719
	x Maximum statutory rate	3.36526
	= <b>Maximum statutory levy</b>	<b>23,964,261</b>
	+Omitted assessments levy	0
	=Maximum statutory levy	<b>23,964,261</b>
	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.

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.***