

CITY COUNCIL AGENDA ITEM COVER SHEET

ITEM NO: Public Hearing and Action A 2

DATE: November 8, 2007

SUBJECT: First Reading of Ordinance 966-07 Setting the tax levy for the 2008 Property Taxes

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

ISSUE:

The issue before the Council is the first reading of Ordinance 966-07 (Attachment A) which sets the property tax levy for the 2008.

SUMMARY:

In accordance with RCW 84.55.120, a taxing district with regular levies must hold a public hearing on the proposed increase and use of property tax funds. The ordinance must be adopted and filed with the County on or before November 30th.

Ordinance 966-07 sets the regular property tax levy for 2008 and provides for a 1% increase (\$6,314) over the 2007 levy. Include in the total levy amount is \$3,935 for new construction and \$1,192 in refunded amounts. The total tax levy is \$642,888. We have not received the revised assessed valuation numbers from Snohomish County so we are not able to calculate the per thousand rate. Based on the 2007 assessed value, the amount is \$1.60 per thousand.

The funds will be used for General Fund and Street purposes (Attachment B). The budget provides for \$70,000 to be used for Street maintenance and operations and the balance of \$572,538 to be used for General Fund expenses which include administration, law enforcement, planning and library services. This was the allocation approved by the Council during the budget retreat.

ALTERNATIVES:

1. Adoption of Ordinance 966-07 to levy an 1% increase on property tax on each tax parcel within the City limits.
2. Don't adopt Ordinance 966-07. This would limit the City to the prior year tax levy rate.

STAFF RECOMMENDATION

Adopt Ordinance 965-07 setting the 2008 General Obligation Police bond tax levy.

MOTION:

Move to introduce Ordinance 966-07 2008 Property Tax Levy for a first reading and pass on to a second reading on November 15, 2007.

Attachments:

- A. Ordinance 965-07
- B. 2008 Property Tax Distribution Spreadsheet
- C. Letter from Snohomish County
- D. Department of Revenue Resolution and Levy Certificate

**CITY OF SULTAN
SULTAN WASHINGTON
ORDINANCE 966-07**

AN ORDINANCE OF THE CITY OF SULTAN FIXING THE AMOUNT
OF TAXES TO BE LEVIED ON TAXABLE PROPERTY WITHIN THE
CITY OF SULTAN FOR THE YEAR 2008

WHEREAS, the City of Sultan has met and considered its budget for the calendar year 2008;
and

WHEREAS, the City Council of the City of Sultan after hearing and after duly considering all relevant evidence and testimony presented, determined that the City of Sultan requires a regular levy in the amount of \$642,888, which includes an increase in property tax revenue from the previous year, and amounts resulting from the addition of new construction and improvements to property and any 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 district and in its best interest; not therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SULTAN that an increase in the regular property tax levy is hereby authorized for the 2008 levy in amount of \$6,314 which is a percentage increase of 1% from the previous year. This increase is exclusive of additional revenue resulting from the addition of new construction and improvements to property and any increase in the value of state assessed property, and any additional amounts resulting from any annexations that have occurred and refunds made.

Severability: If any provisions of this ordinance or its application to any person or circumstance are held invalid, the remainder of the ordinance or applications of the provisions of the ordinance to other person or circumstances is not affected.

Effective Date: This ordinance shall be in full force and effect five days after publication as required by law.

REGULARLY ADOPTED this day of day of November, 2007.

Benjamin Tolson, Mayor

Attest:

Laura J. Koenig, City Clerk
Approved as to form:

Thom Graafstra, City Attorney

ATTACHMENT A



Snohomish County

October 4, 2007

Assessor's Office

Laura J Koenig Clerk Treasurer
City Of Sultan
319 Main Street #200
PO Box 1199
Sultan, WA 98294-1199

Cindy Portmann
County Assessor

Linda Hjelle
Chief Deputy

M/S #510
3000 Rockefeller Ave.
Everett, WA 98201-4046

RECEIVED
OCT - 9 2007

(425) 388-3433
FAX (425) 388-3961

Dear Ms. Koenig:

BY: _____

The following numbers are based on your levy limit calculation for the current tax year. They are all that is available now to help you prepare your budget and levy ordinance/resolutions for the 2008 tax year. We would like to receive these by **November 30, 2007**. If you are taking any increase over what you levied last year in addition to the amount for new construction, Initiative 747 did not change the need for you to pass at least two separate ordinance/resolutions. There are still more ordinance/resolutions needed if a district with over 10,000 population needs to use banked levy capacity that exceeds the rate of inflation (IPD).

Please use the following numbers to prepare your budget, levy ordinance/resolutions and Levy Certifications and feel free to call us at (425) 388-3646 if we can help you with anything; or if you have any questions or find the information to be incorrect.

We show the population of your district to be over/under 10,000: **under**

The **amount levied** last year for your Sultan levy (multiply the percent of increase you have decided on times this number to determine the amount of increase for the ordinance/resolution required by Ref. 47): **\$631,447**

The amount you **could have levied** last year for your Sultan levy. (This is the amount we start the levy limit calculation for the 2008 tax year on. If you did not levy the maximum allowable but "banked" the difference, then this amount will be higher than the above amount levied last year.): **\$631,447**

Additional **estimated** amount allowed for new construction using this year's new construction value at roll close of \$2,501,100: **\$3,935**

Estimated refund amount to be added this year: **\$1,192**

Additional **estimated** amount allowed for annexations using this year's annexation assessed value times last year's levy rate: (Please note that any changes to the district assessed value that causes a decrease or increase in the levy rate will affect the actual additional **\$ 0**

Refund amounts are added for one year only and are subtracted from the amount levied and the maximum allowable, before we start calculations for the next year. So, any refund amount from last year has already been subtracted out of the above figures. This figure is provided because to be recollected it must be included in the total amount to be levied.

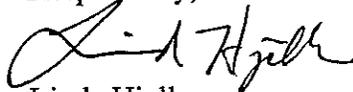
Districts over 10,000 population: the rate of inflation (IPD) to be used for taxes due in 2008 is 2.084%.

We will notify you of the results of our levy limit calculations as soon as all of the information is available to complete the process. Please note that we must have the levy ordinance/resolution stating the percent and amount of increase you are taking before we perform the calculations for the certification letters for any increase amount to be included on the letter. If we have not received the information, the amount of increase will be calculated at 0% for the information letter. Please have your levy documents to us by November 10th if you desire to have the increase you are taking reflected in the certification letter.

When submitting your ordinance/resolutions this year please send copies to us. And, please send copies of the Levy Certification to the Snohomish County Council and a copy to us. Return labels are enclosed for us and the County Council.

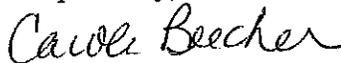
Once again, please do not hesitate to contact us, (Linda's e-mail address is: linda.hjelle@co.snohomish.wa.us and Carole's is: carole.beecher@co.snohomish.wa.us). We will do everything we can to make it possible for you to have all necessary documents to us **by November 30, 2007.**

Respectfully,



Linda Hjelle
Chief Deputy

Respectfully,



Carole Beecher
Levy Comptroller



Ordinance / Resolution No. 966-07
RCW 84.55.120

WHEREAS, the City Council of City of Sultan has met and considered
(Governing body of the taxing district) (Name of the taxing district)
its budget for the calendar year 2008; and,

WHEREAS, the districts actual levy amount from the previous year was \$ 631,447; and,
(Previous Year's Levy Amount)

WHEREAS, the population of this district is more than or less than 10,000; and now, therefore,
(Check One)

BE IT RESOLVED by the governing body of the taxing district that an increase in the regular property tax levy
is hereby authorized for the levy to be collected in the 2008 tax year.
(Year of Collection)

The dollar amount of the increase over the actual levy amount from the previous year shall be \$ 6,314
which is a percentage increase of 1 % from the previous year. This increase is exclusive of
(Percentage increase)

additional revenue resulting from new construction, improvements to property, newly constructed wind turbines,
any increase in the value of state assessed property, any annexations that have occurred and refunds made.

Adopted this 15 day of November, 2004.

If additional signatures are necessary, please attach additional page.

This form or its equivalent must be submitted to your county assessor prior to their calculation of the property tax levies. A certified budget/levy request, separate from this form is to be filed with the County Legislative Authority no later than November 30th. As required by RCW 84.52.020, that filing certifies the total amount to be levied by the regular property tax levy. The Department of Revenue provides the "Levy Certification" form (REV 64 0100) for this purpose. The form can be found at: <http://dor.wa.gov/docs/forms/PropTx/Forms/LevyCertf.doc>.

For tax assistance, visit <http://dor.wa.gov/content/taxes/property/default.aspx> or call (360) 570-5900. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users may call 1-800-451-7985.



Levy Certification

Submit this document to the county legislative authority on or before November 30 of the year preceding the year in which the levy amounts are to be collected and forward a copy to the assessor.

In accordance with RCW 84.52.020, I, Laura J. Koeing,
(Name)

Clerk/Deputy Finance Director, for City of Sultan, do hereby certify to
(Title) (District Name)

the Snohomish County legislative authority that the Sultan City Council
(Name of County) (Commissioners, Council, Board, etc.)

of said district requests that the following levy amounts be collected in 2008 as provided in the district's
(Year of Collection)

budget, which was adopted following a public hearing held on 11/08/07:
(Date of Public Hearing)

Regular Levy: \$642,888.00
(State the total dollar amount to be levied)

Excess Levy: (\$31,045.00)
(State the total dollar amount to be levied)

Signature: _____

Date: _____

For tax assistance, visit <http://dor.wa.gov/content/taxes/property/default.aspx> or call (360) 570-5900. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users may call 1-800-451-7985.

D.2