

CITY COUNCIL AGENDA ITEM COVER SHEET

ITEM NO: Public Hearing PH 2 and Action A 3

DATE: October 23, 2008

SUBJECT: First Reading of Ordinance 999-08 Setting the tax levy for the 2009 Property Taxes

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

ISSUE:

The issue before the Council is the first reading of Ordinance 999-08 (Attachment A) which sets the property tax levy for the 2009.

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 999-08 sets the regular property tax levy for 2009 and provides for a 1% increase (\$5,995) over the 2008 levy. Include in the total levy amount is \$15,510 for new construction and \$763 in refunded amounts. The total tax levy is \$665156. 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 2008 assessed value, the amount is \$1.45 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 \$595156 to be used for General Fund expenses which include administration, law enforcement, planning and library services.

ALTERNATIVES:

1. Adoption of Ordinance 999-08 to levy an 1% increase on property tax on each tax parcel within the City limits.
2. Don't adopt Ordinance 999-08. This would limit the City to the prior year tax levy rate.

STAFF RECOMMENDATION

Provide for the 1% increase in property taxes and introduce Ordinance 999-08 setting the 2009 General Obligation Police bond tax levy for a first reading.

MOTION:

Move to introduce Ordinance 999-08 2009 Property Tax Levy for a first reading and pass on to a second reading.

Attachments:

- A. Ordinance 999-08
- 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 999-08**

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 2009

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 \$665,156, 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; now 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 2009 levy in amount of \$5,995 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, 2008.

Carolyn Eslick, Mayor

Attest:

Laura J. Koenig, City Clerk

Approved as to form:

Margaret King, City Attorney

Published:

2009 PROPERTY TAX DISTRIBUTION							
TOTAL RECEIVED	REET TAX	PROPERTY TAX	GENERAL FUND 001 0.855276	STREET FUND 101 0.100750	POLICE BOND FUND 205 0.043974	TOTAL	1.000000
		0.00	0.00	0.00	0.00	0.00	0.00
695,751.00		695,751.00	595,059.13	70,096.91	30,594.95	695,751.00	
		0.00	0.00	0.00	0.00	0.00	0.00
695,751.00	0.00	695,751.00	595,059.13	70,096.91	30,594.95	695,751.00	
Regular Property Tax	665,156.00						
Police Bonds	30,595.00						
TOTAL TAX	695,751.00						
% Are Calculated to provide at least \$70,000 to Street Funds							
				Add	Add	TOTAL TAX	
	<u>2008 Levied</u>	<u>% Incre:</u>	<u>2008 Tax</u>	<u>New Construct</u>	<u>Refunds</u>	<u>FOR 2009</u>	
	642,458.00	1.01	648,882.58	15,510.00	763.00	665,155.58	
New Construction estimate value for 2009 is \$11,055,313 per Snohomish County Assessor							