

CITY COUNCIL AGENDA ITEM COVER SHEET

ITEM NO: Consent C 4

DATE: October 22, 2009

SUBJECT: Ordinance 1063-09 Setting the tax levy for the 2010 Property Taxes

CONTACT PERSON: Laura Koenig, Clerk/Deputy Finance Director

ISSUE:

The issue before the Council is the adoption of Ordinance 1063-09 setting the levy for 2010 property taxes. A public hearing on the proposed use of 2010 property taxes was held on October 22, 2009 and the ordinance was introduced for a first reading.

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 1063-09 sets the regular property tax levy for 2010 and provides for a 1% increase (\$6,653) over the 2009 levy. Included in the total levy amount is \$5,139 for new construction and \$1,401 in refunded amounts. The total tax levy is \$678,480. 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 2009 assessed value, the amount is \$1.41 per thousand.

The funds will be used for General Fund and Street purposes (Attachment B). The budget provides for \$81,300 to be used for Street maintenance and operations which leaves a balance of \$597,171 to be distributed. The proposed budget for General Fund includes \$584,046 for property tax revenues to be used for administration costs, law enforcement, planning and library services. Staff recommended the balance of \$13,085 anticipated property taxes be placed in the General Fund Contingency Fund. The Council briefly discussed using the additional funds for street purposes instead of setting it aside in the contingency fund.

ALTERNATIVES:

1. Adoption of Ordinance 1063-09 to levy a 1% increase on property tax on each tax parcel within the City limits.
2. Don't adopt Ordinance 1063-09. This would limit the City to the prior year tax levy rate.

STAFF RECOMMENDATION

Provide for the 1% increase in property taxes with the proposed allocation between the General Fund, Street Fund and General Fund Contingency Fund.

MOTION:

Move to adopt Ordinance 1063-09, 2009 Property Tax Levy

Attachments: A. Ordinance 1063-09
B. 2010 Property Tax Distribution Spreadsheet

**CITY OF SULTAN
SULTAN WASHINGTON
ORDINANCE 1063-09**

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 2010

WHEREAS, the City of Sultan has met and considered its budget for the calendar year 2010; 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 \$678,480, 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 2010 levy in amount of \$6,653 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 12th day of November, 2009.

Carolyn Eslick, Mayor

Attest:

Laura J. Koenig, City Clerk

Approved as to form:

Margaret King, City Attorney

Published:

**2010 PROPERTY TAX
DISTRIBUTION**

TOTAL RECEIVED	REET TAX		PROPERTY TAX	GENERAL FUND 001 0.842790	STREET FUND 101 0.114750	POLICE BOND FUND 205 0.042460
			0.00	0.00	0.00	0.00
708,564.00			708,564.00	597,170.65	81,307.72	30,085.63
			0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00
708,564.00	0.00	0.00	708,564.00	597,170.65	81,307.72	30,085.63

Regular

Property Tax	678,479.00
Police Bonds	<u>30,085.00</u>
TOTAL TAX	708,564.00

<u>2009 Levied</u>	1% <u>Increase</u>	<u>2009 Tax</u>	Add <u>New Construct</u>	Add <u>Refunds</u>	TOTAL TAX FOR 2009
665,287.00	1.01	671,939.87	5,139.00	1,401.00	678,479.87

New Construction estimate value for 2009 is \$3,390,100 per Snohomish County Assessor

% Are Calculated to provide at least \$81,300 to Street Funds