



**TO:** T.C. Broadnax, City Manager  
**FROM:** Tadd Wille, Budget Officer  
Andy Cherullo, Finance Director  
**COPY:** City Council and City Clerk  
**SUBJECT:** Request for Ordinance to State the Dollar and Percent Increase for the Property Tax Levy on November 19, 2013  
**DATE:** November 1, 2013

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**SUMMARY:**

The City of Tacoma is required by state law to annually approve the regular levy on property taxes. Staff recommends that the City Council authorize a zero percent (0%) and zero dollar (\$) increase to the City's actual levy from 2013. By authorizing the increase, the City is allowing the regular levy be set at the highest allowable amount levy amount.

**BACKGROUND:**

In order to increase the City's highest lawful levy, the City is required to authorize the percent and dollar increase over the City's actual levy from the previous year.

**ISSUE:**

The City of Tacoma must take two actions to set the regular property tax levy for 2014:

- Approve the total regular levy amount to be collected – State law requires that the City adopt an ordinance that states how much in property taxes the City is requesting to collect in 2014.
- Approve the percentage and dollar increase over the prior year's actual levy – State law requires that the City Council approve a separate ordinance or resolution that states the percentage and dollar increase of this year's levy request over the prior year's actual levy. This action establishes the City's highest allowable levy amount.

The 2013 actual levy collected of \$52,240,093.23 was higher than the past highest regular levy due to refunds. The 2014 highest allowable levy, \$52,203,860.79, is a decrease over the previous year's actual levy collection.

This ordinance will authorize a \$0 increase and 0% over previous year's actual levy of \$52,240,093.23. By authorizing the increase, the City is allowing the regular levy be set at the highest allowable amount levy amount. This is consistent with the 2014 revenues projected in the 2013-2014 Budget.

**ALTERNATIVES:**

The City of Tacoma is required to authorize the percent and dollar increase in order to increase the City's highest levy; therefore, staff has not identified an alternative.

**RECOMMENDATION:**

Staff recommends that the City Council approve the ordinance to authorize a 0% and \$0 increase to the City's actual levy amount from 2013.

**FISCAL IMPACT:**

There is no fiscal impact.