



## RESOLUTION NO. 40689

1 A RESOLUTION relating to property tax levies; stating a finding of substantial need;  
2 and authorizing the City to increase the 2021 Ad Valorem property tax  
3 revenue collection for the General Fund property tax levy and Emergency  
4 Medical Services levy to 1 percent, as the implicit price deflator is less than  
5 1 percent.

6 WHEREAS RCW 84.55.0101 provides that upon a finding of substantial  
7 need, the City may levy taxes in an amount no more than the limit factor multiplied  
8 by the amount of regular property taxes lawfully levied for such district in the  
9 highest of the three most recent years plus an additional dollar amount resulting  
10 from new construction and improvements to property, newly constructed wind  
11 turbines, and any increase in the assessed value of state-assessed property, and

12 WHEREAS, under RCW 84.55.005(2)(c), without a finding of substantial  
13 need, the limit factor for a taxing jurisdiction with a population of more than 10,000  
14 is the lesser of 101 percent or 100 percent plus inflation, and

15 WHEREAS RCW 84.55.005(1) defines "inflation" as the percentage change  
16 in the implicit price deflator for personal consumption expenditures for the United  
17 States, as published for the most recent 12-month period by the Bureau of  
18 Economic Analysis of the Federal Department of Commerce in September of the  
19 year before the taxes are payable, and

20 WHEREAS the implicit price deflator used for the 2021 property tax levy and  
21 EMS levy is 0.60152 percent, and thus the limit factor is 0.60152 percent, meaning  
22 the taxes levied in Pierce County in 2020 for collection in 2021 will not increase as  
23 much as possible, except for the amounts resulting from new construction and  
24 improvements  
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to property, newly constructed wind turbines, and any increase in the value of state-assessed utility property, and

WHEREAS RCW 84.55.0101 provides for use of a limit factor of 101 percent or less with a finding of substantial need by a majority plus one council member, and

WHEREAS the proposed 2021-2022 budget assumes a 1 percent increase in property tax, and

WHEREAS, in order to maintain service levels and meet the City's long-term fiscal sustainability goals, staff is recommending that the City declare substantial need and set the City's limit factor for 2021 at 1 percent for both the regular property tax levy and Emergency Management Services levy; Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

That the proper officers of the City hereby find that a substantial need exists under RCW 84.55.0101 to increase the 2021 Ad Valorem property tax revenue collection for the General Fund property tax levy and Emergency Medical Services levy to 1 percent, as the implicit price deflator is currently less than 1 percent.

Adopted \_\_\_\_\_

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

Approved as to form:

\_\_\_\_\_  
Deputy City Attorney