



RESOLUTION NO. 39315

1 A RESOLUTION relating to property tax levies; stating a finding of substantial
2 need; and authorizing the City to increase the 2016 Ad Valorem property
3 tax revenue collection for the General Fund property tax levy to
4 1 percent, as the implicit price deflator is less than 1 percent.

4 WHEREAS RCW 84.55.0101 provides that upon a finding of substantial
5 need, the City may levy taxes in an amount no more than the limit factor
6 multiplied by the amount of regular property taxes lawfully levied for such
7 district in the highest of the three most recent years plus an additional dollar
8 amount resulting from new construction and improvements to property, newly
9 constructed wind turbines, and any increase in the assessed value of state-
10 assessed property, and
11 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
14 10,000 is the lesser of 101 percent or 100 percent plus inflation, and
15 10,000 is the lesser of 101 percent or 100 percent plus inflation, and

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

22 WHEREAS the implicit price deflator used for the 2016 property tax levy
23 is 0.251 percent and the limit factor is 0.251 percent, meaning the taxes levied
24 in Pierce County in 2015 for collection in 2016 will not increase as much as
25 possible, except for the amounts resulting from new construction and
26 possible, except for the amounts resulting from new construction and



improvements to property, newly constructed wind turbines, and any increase
1 in the value of state-assessed utility property, and

2 WHEREAS RCW 84.55.0101 provides for use of a limit factor of
3 101 percent or less with a finding of substantial need by a majority plus one
4 council member, and
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6 WHEREAS the adopted 2015-2016 budget assumes a 1 percent
7 increase in property tax, and

8 WHEREAS 2015-2016 revenues are down, creating a shortfall in
9 supporting the critical activities of the City, and in order to maintain service
10 levels and meet the City's long-term fiscal sustainability goals, staff is
11 recommending that the City declares substantial need and set the City's limit
12 factor at 1 percent for 2016, and
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14 WHEREAS the adopted budget for the 2015-2016 biennium is
15 \$427,162,141, and the estimated revenue for the biennium are \$427,162,141,
16 including the use of \$13,812,032 in fund balance; Now, Therefore,
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18 BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

19 That the proper officers of the City hereby find that a substantial need
20 exists under RCW 84.55.0101 to increase the 2016 Ad Valorem property tax
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1 revenue collection for the General Fund property tax levy to 1 percent, as the
2 implicit price deflator is currently less than 1 percent.

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4 Adopted _____

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Mayor

7 Attest:

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City Clerk

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Approved as to form:

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Deputy City Attorney

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