



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 Approve Revenues from Property Tax Levy on
November 19, 2013
DATE: November 1, 2013

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 set the estimated 2014 levy amount for the regular property tax levy at \$52,203,860.79.

BACKGROUND:

Pursuant to RCW 84.52.020 and RCW 84.52.070, the City of Tacoma must pass an ordinance that identifies the estimated revenues raised by taxation on the assessed valuation of the property in the city.

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.

This ordinance will set the estimated 2014 general property tax revenue collection at \$52,203,860.79, a 1% increase over the highest past regular levy amount of \$51,686,990.88. The 2014 property tax levy estimate does not include new construction.

The City anticipates that it can collect an additional \$852,055.76 due to the value of new construction and improvements. The total estimated property tax revenue of \$53,055,919.55 is consistent with the property tax projected in the 2013-2014 Adopted Budget.

ALTERNATIVES:

Pursuant to RCW 84.52.020 and RCW 84.52.070 the City of Tacoma is required to pass an ordinance to set the estimated amount of revenue from the property tax levy; therefore, staff has not identified an alternative.

RECOMMENDATION:

Staff recommends that the City Council approve the ordinances to set the estimated amount of revenue from the property tax levy at \$52,203,860.79.

FISCAL IMPACT:

There is no fiscal impact.