

Ordinance/Motion:	2022-XXXX
Title:	Conservation Futures Tax Levy Ordinance
Affected Agency and/or Agencies:	Water and Land Resources Division, Department of Natural Resources and Parks
Note Prepared By:	Elka Peterson Horner, Office of Performance, Strategy & Budget
Date Prepared:	May 9, 2022
Note Reviewed By:	Becka Johnson Poppe, Office of Performance, Strategy & Budget; Nitin Chadha, Water & Land Resources Division
Date Reviewed:	May 10, 2022

Description of request:

The Ordinance provides the framework for the Conservations Futures Tax increase. The Ordinance includes a request to increase the levy rate to a rate of \$0.0625/\$1,000 of assessed valuation starting in 2023. The increase will provide funding for finance and refinance costs for the acquisition, preservation, and stewardship of urban green spaces; natural areas; wildlife and salmon habitat; trails; river corridors; farmlands and forests; and provide for Conservation Futures Advisory Committee recommendations. The proposal would accelerate the pace of acquisitions, in the hopes of reducing the ultimate cost of conservation.

Revenue to:

Agency	Fund Code	Revenue Source	2023-2024	2025-2026	2027-2028
WLRD	3151	CFT Levy	51,083,000	53,340,000	55,638,000
TOTAL			51,083,000	53,340,000	55,638,000

Expenditures from:

Agency	Fund Code	Department	2023-2024	2025-2026	2027-2028
WLRD	3151	DNRP	51,083,000	53,340,000	55,638,000
TOTAL			51,083,000	53,340,000	55,638,000

Estimated Expenditures by Categories

	2023-2024	2025-2026	2027-2028
Acquisitions	44,729,000	46,618,000	48,483,000
Program Administration	6,354,000	6,722,000	7,155,000
TOTAL	51,083,000	53,340,000	55,638,000

Does this legislation require a budget supplemental? In the future, yes. However, one is not needed at this time.

Notes and Assumptions:

- **Revenue** - Revenue estimates were developed using the March 2022 OEFA forecast, and assume 100% collection. However, financial and spending plans will assume 99% collection in compliance with financial planning policies. This fiscal note is showing the incremental fiscal impact of the proposed rate increase.

Estimated Expenditures by Categories

- **Acquisitions** - Biennial spending for acquisitions is illustrative. Actual spending will follow market availability and closing timelines. This category includes the cost of appraisals, closing costs, recording fees, and other expense related to acquiring real property, in compliance with KCC 26.12.010.H and consistent with current program practice. Acquisitions will be paid for using the annual revenue collection or through bond issuance, which is consistent with current program practice and KCC 26.12.100.

- **Program Administration** - Program administration costs are based on the size of the program at the current levy rate. Consistent with current administrative billing practices, this category includes staff salary and benefits. Future analysis will be needed to scale administrative costs appropriately.