## STAFF REPORT

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| **Agenda Item:** |  | **Name:** | Mary Bourguignon |
| **Proposed No.:** | 2020-0313 | **Date:** | December 8, 2020 |

**SUBJECT**

Proposed Ordinance 2020-0313 would certify the amount of property taxes levy for King County and taxing districts[[1]](#footnote-1) within the county for 2021.

**SUMMARY**

Proposed Ordinance 2020-0313 would fulfill the requirements of State law,[[2]](#footnote-2) which annually requires the county legislative authority to certify to the county assessor the amount of property taxes levied for the county and all taxing districts within the county, except cities having a population of 300,000 or more, for the following year. The proposed ordinance would certify the property tax levy amounts for next year (2021). This annual proposed ordinance is referred to as the “property tax levy certification ordinance” and is necessary for the Treasury Section of the Finance and Business Operations Division to issue property tax statements in the correct amounts.

Taxing districts must submit to the county legislative authority the amount of property tax levy that will be collected by that taxing district for the following year by November 30 of each year.[[3]](#footnote-3) The Department of Assessments compiles the submitted levy amounts for all the required taxing districts and those values are submitted to the Council to be included in the levy certification ordinance.

Each year the levy certification proposed ordinance is transmitted by the Executive with blanks in place of the levy amounts. Striking Amendment S1 would replace the blanks with the submitted levy amounts from the taxing districts, as well as County levy amounts as compiled by the Department of Assessments.

**ANALYSIS**

Proposed Ordinance 2020-0313 was passed out of the Budget and Fiscal Management (BFM) Committee at its meeting on November 10, 2020. It was then held at Council until after the November 30 reporting date for taxing districts, to allow the Department of Assessments time to collect the levy amounts for each district for 2021. As noted above, the proposed ordinance was transmitted with blanks in the place of levy amounts, as those were not known at the time of transmittal. The levy amounts will be incorporated through Striking Amendment S1.

Along with this proposed ordinance, the Executive also transmitted and the BFM Committee also acted on Proposed Ordinance 2020-0314, which is an identical ordinance that also contains blanks in place of levy amounts. The purpose of the second ordinance is to amend any incorrect levy amounts that may have been corrected after further due diligence by the Department of Assessments. If this second ordinance is needed, it will be taken up by the Council in January 2021.

RCW 84.52.070 requires the county legislative authority to certify to the county assessor by November 30 each year. However, RCW 84.52.020 also requires the taxing districts to submit to the county legislative authority the amount of property tax levy that will be collected by that taxing district for the following year by November 30 of each year. It should be also noted that RCW 84.52.070 (3) states that if the levy amount is not certified to the county assessor by November 30, the County Assessor may use no more than the certified levy amount for the previous year for the taxing district. Due to this timing conflict in state law, the County has traditionally adopted the property tax levy certification ordinance in December (and January to update the levy amounts, if necessary).

**AMENDMENT**

Striking Amendment 1 is a technical amendment that would add the levy amounts as provided by the King County Department of Assessments.

**ATTACHMENTS**

1. Transmittal Letter
2. Fiscal Note
3. Striking Amendment 1 (to be distributed in GREEN folder)
1. King County’s levy certification ordinance includes all taxing districts except cities with a population of 300,000 or more. [↑](#footnote-ref-1)
2. RCW 84.52.070 [↑](#footnote-ref-2)
3. RCW 84.52.020 requires taxing districts to adopt a resolution/ordinance stating the amount of property tax levy that will be collected for the following year. For some larger taxing districts, such an ordinance submitted is also the same ordinance that implements RCW 84.55.120, which requires a public hearing on the increase of property tax levies for the following year within the limit factor as prescribed by RCW 84.55.005 and 84.55.010. Such an ordinance is also referred to as the “Sunshine Ordinance.” King County also adopts such an ordinance for its own county levies and the Sunshine Ordinance for the county was adopted at the November 17, 2020, council meeting (Ordinance 19212). [↑](#footnote-ref-3)