



City Council

Public Hearing and Approval of Ordinance Amending the 2015 Ad Valorem Tax

Agenda Date: 1/6/2015
Agenda Item Number: 5.A
File Number: 15-0019

Type: ordinance **Version:** 1 **Status:** Passed

Title

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Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

After holding a Public Hearing; move to suspend the Council rules and approve the ordinance on first and final reading.

Report

Issue:

Shall Ordinance 6933, an ordinance setting the ad valorem tax for 2015 be amended to reflect additional taxes available to be levied by the City?

Staff Contact:

Dean Walz, Fiscal Services Director, Administrative Services Department, 360.753.8465

Presenter(s):

Dean Walz, Fiscal Services Director, Administrative Services Department

Background and Analysis:

November 25th, 2015 the Council approved Ordinance 6933 setting the amount of taxes to be assessed for 2015. The ordinance levied \$13,446,604.09 for the general levy. The general levy is based on taxes to be generated from a 1% increase in the previous year's levy plus taxes from new construction, increases in State assessed utilities values and annexations. Our tax estimate is based on information from the county. Since the time of the adoption of Ordinance 6933, the county has notified that in addition to increases in new construction and increases in State assessed utility values, the City also had annexation values added to the total valuations. The City relies on the county to provide the amount of added value due to annexation. Annexed areas are not necessarily added to the City's values for the year following an annexation due to timing of the annexation and the flow of paper work through the State and County.

In mid-December the City was notified by the County that was \$45,904,741 of the City's total values was from annexations. This information had not previously been communicated to the City. The City is allowed to add to its levy additional tax above the 1% tax increase limit for annexed areas. The additional tax amount the City could receive from the additional annexed values is \$107,714. The County will allow the City to amend its ordinance and file an additional levy certification if it is filed by January 7th, 2015. The original ordinance included estimates. The actual increase in taxes for the 2015 budget based on actual levy calculations including additional taxes from annexed values would be \$107,904.74 if the ordinance is adopted. These are the two annexations in 2013 and the 2014 annexation.

The Council is requested to pass the attached amending ordinance on first and final reading following the public hearing regarding the possible amendment of the Ordinance.

Neighborhood/Community Interests (if known):

N/A

Options:

- 1) Approve the ordinance which will provide an additional \$107,904.74 in taxes.
- 2) Do not approve the ordinance.

Financial Impact:

Will generate an additional \$107,904.74 in taxes for the General Fund. This amount has not been included in the 2015 operating budget. The Council may amend the 2015 budget to allocate these funds or allow the funds to accumulate in the General Fund, fund balance. The decision on allocating the funds does not need to be made at this time.