Ordinance No. 3726

(Amending or Repealing Ordinances)

CFN=104 – Finance
Passed – 12/14/2004
Tax Levy Adjustment Authorized (1%, Plus Banked Capacity) – 2005 Budget
ORDINANCE NO. 3726

AN ORDINANCE of the City Council of the City of Kent, Washington, authorizing the 2004 property tax levy for the 2005 budget at the previous year’s maximum allowed tax levy, with a statutorily allowed one (1) percent increase to partially cover impacts from inflation, for collection in 2005, together with any increases resulting from the addition of new construction and improvements to property, from any increase in the value of state-assessed property, from the refund fund levy, and from annexed properties.

RECITALS

A. Pursuant to RCW 84.55.120 and after providing all appropriate notice, the City Council held a public hearing on September 21, 2004, to consider the City of Kent’s proposed operating and capital budget for the 2005 calendar year, and held a public hearing on November 16, 2004, to address the City’s 2004 property tax levy, revenues, and limit factors, as well as the proposed 2005 budget.

B. In accordance with RCW 84.55.120, any increase in property tax revenue other than that resulting from the addition of new construction and improvements to property, annexations, and any increase in the value of state-assessed property and the refund fund levy, requires the adoption of a separate ordinance from the tax levy ordinance specifically authorizing the increase in terms of both dollars and percentage.
C. The City Council finds that in order to best protect the public health, safety, and welfare, to protect the City’s future property tax levy capacity, to serve the citizens of Kent by maintaining an appropriate level of service throughout the City, to appropriately discharge the City’s expected expenses and obligations, and to best serve the citizens of Kent through a continued commitment to capital improvements throughout the City, a substantial need exists to increase its tax levy by using all the City’s “banked” tax levy capacity plus the one (1) percent limit factor allowed by law. In prior years, the City has not always set its tax levy at the maximum level permitted by law, but has rather reduced its tax levy below the level it could otherwise impose. Pursuant to RCW 84.55.092, this unallocated amount of regular property tax which would otherwise have been allowed if the City had levied the full amount of regular property tax that the City could have levied in prior taxing years constitutes the City’s “banked” regular property tax capacity.

D. Accordingly, the regular property tax levy for the 2005 budget—in addition to the increase resulting from the addition of new construction and improvements to property, and any increase in the value of state-assessed property, the refund fund levy, and annexed properties—should use the City’s banked property tax capacity and should be established at the previous year’s maximum allowed property tax levy, plus the statutorily allowed one (1) percent increase for inflation.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF KENT, WASHINGTON, DOES HEREBY ORDAIN AS FOLLOWS:

ORDINANCE

SECTION 1. - Recitals Incorporated The foregoing recitals are incorporated into this ordinance.

2 Tax Levy Adjustment Authorized (1%, Plus Banked Capacity) - 2005 Budget
SECTION 2. - Property Tax Levy Authorized  In addition to the increase resulting from new construction and improvements to property, from annexations, from any increase in the value of state-assessed property, and from the refund fund levy, the 2004 regular property tax levy for the 2005 budget is authorized at the previous year's maximum allowed property tax levy, including the City's banked property tax capacity, plus the statutorily allowed one (1) percent increase for inflation. Pursuant to RCW 84.55.120, the increase in property tax revenue is calculated to be $1,195,835, representing five and four-tenths (5.4) percent, in addition to the effects of new construction, annexations and increases in state-assessed property.

SECTION 3. - Severability  If any one or more sections, subsections, or sentences of this ordinance are held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance and the same shall remain in full force and effect.

SECTION 4. - Effective Date. This ordinance shall take effect and be in force five (5) days from and after its passage, approval, and publication as provided by law.

JIM WHITE, MAYOR

ATTEST:

BRENDA JACOBER, CITY CLERK
I hereby certify that this is a true copy of Ordinance No. 3726 passed by the City Council of the City of Kent, Washington, and approved by the Mayor of the City of Kent as hereon indicated.

BRENDA JACOBER, CITY CLERK