ORDINANCE NO. 3937

AN ORDINANCE of the City Council of the City of Kent, Washington, making a finding of substantial need and setting the property tax levy in 2009 for collection in 2010 at the previous year’s tax levy rate with a statutorily allowed one (1) percent increase over last year’s tax levy rate pursuant to Chapter 84.55 RCW.

RECITALS

A. Pursuant to RCW 84.55.120 and after providing all appropriate notice, the City Council held a public hearing on November 17, 2009, to consider the City of Kent’s proposed operating and capital budget for the 2010 calendar year, to address the City’s property tax levy to be imposed in 2009 for collection in 2010, and to review revenues and limit factors, as well as the proposed 2010 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. RCW 84.55.010 provides that a taxing jurisdiction may levy taxes in an amount no more than the limit factor multiplied by the highest levy of the most recent three years, plus additional amounts resulting from

\[ \text{Tax Levy Adjustment Authorized (1\%) - 2010 Budget} \]
new construction and improvements to property, newly constructed wind
turbines, and any increase in the value of state-assessed utility property.
Under RCW 84.55.005(2)(c), the limit factor for a taxing jurisdiction with a
population of 10,000 or over is the lesser of 101 percent or 100 percent plus
inflation.

D. Pursuant to RCW 84.55.0101, upon a finding of substantial
need, the City Council may provide for the use of a limit factor of 101 percent
or less. The ordinance setting forth the finding of substantial need and
setting the limit factor of 101 percent or less must be passed by a majority of
the council members, plus one.

E. The City has seen major reductions in sales tax, real estate
excise taxes, building permits, charges for services, and interest revenues
during 2009. The City has responded with service level reductions and a 3.2%
reduction in the City's workforce, which equates to a reduction of 54 positions.
Due to the negative inflation rate, in the event a substantial need is not
declared for property taxes collected during 2010, the City will realize a
decrease in the amount of property taxes collected in 2010 compared with
2009, and will be required to further eliminate City services. In the event the
City Council does find a substantial need, the $270,868 increase generated by
the 1% allowable increase in the City's property tax levy will permit the City
to retain some significant programs, which otherwise will have to be
eliminated.

F. The City Council finds that in order to protect the public health,
safety, and welfare, to protect the City's future property tax levy capacity, to
adequately 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 over last year.

2 Tax Levy Adjustment
Authorized (1%) - 2010 Budget
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.

SECTION 2. - Finding of Substantial Need. The Kent City Council finds that a substantial need exists under RCW 84.55.0101, and therefore authorizes the use of a limit factor of 101 percent for the property tax levied in 2009 for collection in 2010.

SECTION 3. - 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 property tax levied in 2009 for collection in 2010 is authorized at the previous year's property tax levy, plus a one (1) percent increase, representing an increase of $270,868.

SECTION 4. - 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 5. - Corrections by City Clerk or Code Reviser. Upon approval of the City Attorney, the City Clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering.

Tax Levy Adjustment Authorized (1%) - 2010 Budget
SECTION 6. - 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.

ATTEST:

BRENDA JACOBER, CITY CLERK

APPROVED AS TO FORM:

TOM BRUBAKER, CITY ATTORNEY

PASSED: 8 day of December, 2009.
APPROVED: 8 day of December, 2009.
PUBLISHED: 12 day of December, 2009.

I hereby certify that this is a true copy of Ordinance No. 3937 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

(Seal)