



CITY OF
BAINBRIDGE ISLAND

City Council Regular Business Meeting Agenda Bill

MEETING DATE: October 12, 2021

ESTIMATED TIME: 5 Minutes

AGENDA ITEM: (8:20 PM) Set the Public Hearing for Ordinance No. 2021-26 Relating to the Property Tax Levy for Collection in 2022 - Finance,

SUMMARY: In accordance with state law, the City is required to have a public hearing to levy property taxes for 2022. In addition, the City must certify its desired levy amount via ordinance for 2022 to the County Assessor no later than November 30, 2021. This agenda item is for the City Council to schedule a public hearing on Ordinance No. 2021-26 related to revenue sources before setting the levy amount. The Kitsap County Assessor's Office has indicated that it will provide the final calculations by October 18, 2021, including the amount for new construction (not currently available). The attached ordinance includes bracketed text to note the figures that will be updated. The ordinance is being provided to the Council at this time in this format (i.e., pending confirmation regarding some figures) because the Assessor's Office has been delayed in providing some final figures to the City, and the City is proceeding with the information that it has to ensure compliance with a statutory deadline. All of the final figures will be included in Ordinance No. 2021-26 when it is considered by the Council for adoption.

AGENDA CATEGORY: Ordinance

PROPOSED BY: Finance & Administrative Services

RECOMMENDED MOTION: I move to set a public hearing for October 26, 2021 regarding Ordinance No. 2021-26, relating to the Property Tax Levy for Collection in 2022.

STRATEGIC PRIORITY: Good Governance

FISCAL IMPACT:

Amount:	
Ongoing Cost:	
One-Time Cost:	
Included in Current Budget?	

BACKGROUND: Washington state uses a budget-based property tax system. This means that cities, as part of their annual budget process, must first establish the total dollar amount of property tax revenue they wish to generate for the upcoming year, subject to several restrictions. Once the total dollar amount is established, the levy rate is calculated based on the assessed valuation and other factors. These requirements are necessary for both annual and biennial budgets. There are three steps to complete the necessary requirements: First, a public hearing needs to be scheduled by the Council. Second, a public hearing must take place. And third, the ordinance must be adopted by the Council that states both the dollar increase and the percentage change from the prior year. The City must certify its desired levy amount each year via ordinance to the County Assessor no later than November 30th in order to levy taxes for the subsequent budget year. The 2022 proposed property tax

estimate is calculated by the Kitsap County Assessor's Office. The dollar increase to the 2021 total levy of \$8,036,582 is \$38,937, which is an increase of .4845, plus an increase of \$x [the amount in the previous year was \$64,927] equal to the amount allowed under the new construction provisions of RCW 84.55.010, plus the tax refund amount of \$8,107, for a total new levy amount of \$8,083,626 [which excludes new construction and any amounts due to an increase in state assessed utilities]. Additional detail is provided on the attached document, which was provided by the Kitsap County Assessor's Office. In addition, Ordinance No. 2021-26 will levy \$612,800 to pay the 2022 debt service cost of the 2013 Refunded Voted Open Space General Bond Obligation Bonds. The levy is equal to the amount of the debt service.

ATTACHMENTS:

[Ordinance No. 2021-26 Relating to the Levy of Property Taxes for Collection in 2022.docx](#)

[City of Bainbridge Island Levy Limit 9 29 21.docx](#)

FISCAL DETAILS: The 2022 revised biennial budget will be supported by estimated property tax revenues that were forecast during the creation of the 2021-22 Proposed Budget. The revenue estimates in the 2022 budget will reflect the changes after the public hearing and the Council's adoption of the ordinance take place. Property taxes are recorded as revenue in both the General Fund and the General Obligation Bond Fund.

Fund Name(s):

Coding: