



CITY OF
BAINBRIDGE ISLAND

City Council Regular Business Meeting Agenda Bill

MEETING DATE: October 13, 2020

ESTIMATED TIME: 5 Minutes

AGENDA ITEM: (7:45 PM) Set the Public Hearing for Ordinance No. 2020-30 Relating to Property Tax Levy for Collection in 2021 - Finance,

SUMMARY: In accordance with state law, the City will certify its desired levy amount via ordinance for 2021 to the County Assessor no later than November 30, 2020. This agenda item is for the City Council to schedule a public hearing on Ordinance No. 2020-30 related to revenue sources before setting the levy amount.

AGENDA CATEGORY: Ordinance

PROPOSED BY: Finance & Administrative Services

RECOMMENDED MOTION: I move to schedule a public hearing on October 27, 2020, regarding Ordinance No. 2020-30, relating to Property Tax Levy for Collection in 2021.

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 2021 proposed property tax estimate is calculated by the Kitsap County Assessor's office. The dollar increase to the 2020 total levy of \$7,882,699 is \$47,746, which is an increase of 0.605706%, plus an increase of

\$64,927 equal to the amount allowed under the new construction provisions of RCW 84.55.010, plus the tax refund amount of \$41,019, for a total new levy amount of \$8,036,391. Additional detail is provided on the attached sheet, which is provided by the Kitsap County Assessor's office.

In addition, Ordinance No. 2020-30 will levy \$614,600 to pay the 2021 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:

[Presentation Property Tax Ordinance Presentation CC 101320](#)

[City of Bainbridge Island Levy Limit 9 28 2020 TY2021.docx](#)

[Ordinance No. 2020-30 Relating to the Levy of Property Taxes for Collection in 2021.docx](#)

FISCAL DETAILS: The 2021-2022 adopted 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 2021 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): Other

Coding: