

**ORDINANCE NO. 2021-**

**AN ORDINANCE** relating to the annual property tax levy; declaring the City Council's intent to increase the City's 2022 regular levy up to 101% along with new construction, annexation, refunds and growth in state-assessed property values from the amount levied the previous year.

**WHEREAS**, RCW 84.55.120 requires a taxing district that collects regular levies to hold a public hearing on revenue sources for the district's following year's current expense budget, including consideration of possible increases in property tax revenues; and

**WHEREAS**, pursuant to RCW 84.55.120 and the City Charter, on November 1, 2021 and November 16, 2021, upon due and proper legal notice, the Yakima City Council held a public hearing to consider the City's general government revenue sources for the 2022 current expense budget, and the total proposed property tax levy amount pertaining to 2022 revenues from real and personal property taxes; and

**WHEREAS**, RCW 84.55.120 provides that no increase in property tax revenue, other than that resulting from the addition of new construction, improvements to property, and any increase in the value of state-assessed property, may be authorized by a taxing district, except by adoption of a separate ordinance or resolution, pursuant to notice, specifically authorizing the increase in terms of both dollars and percentage; and

**WHEREAS**, RCW 84.55.005 sets the limit factor for the increase in the regular property tax levy at the lesser of one hundred one percent or one hundred percent plus inflation, which is defined as the percentage change in the implicit price deflator (IPD) for personal consumption expenditures for the United States as published for the most recent twelve-month period by the bureau of economic analysis of the federal department of commerce by September 25<sup>th</sup> of the year before the taxes are payable; and

**WHEREAS**, the applicable percentage change in the Implicit Price Deflator was 3.860%; and

**WHEREAS**, RCW 84.55.0101 allows a taxing district to use a limit factor of one hundred one percent upon a finding of substantial need by the legislative authority by a majority vote; and

**WHEREAS**, the City Council, after the public hearing on November 1, 2021 and November 16, 2021, and after duly considering all relevant evidence and testimony presented, has determined that the City requires an increase in property tax revenue from the previous year, along with the addition of new construction and improvements to property and any increase in the value of state-assessed property, in order to discharge the expected expenses and obligations of the City, and as being necessary and in the best interests of the citizens of the City of Yakima; and

## ORDINANCE A

**WHEREAS**, the maximum levy rate the City of Yakima can levy is \$3.10/\$1,000 assessed valuation (AV) plus \$0.225/\$1,000 AV specifically for Firemen's Relief and Pension Fund and will not change as a result of this ordinance; and

**WHEREAS**, property tax is a tax based on ownership of a piece of real estate. A "levied property tax" is generally a tax imposed on property owners, based on the value of their property and the municipal government's needs; and

**WHEREAS**, the city levy rate has decreased from \$3.10/\$1,000 AV to \$2.53/\$1,000 AV in 2021 and staff is projecting the levy rate for 2022 to be \$2.32/\$1,000 AV; and

**WHEREAS**, in order to bring the current levy rate to the maximum allowed, a levy lid lift is required and the City of Yakima residents will need to approve such ballot measure; and

**WHEREAS**, the amount of property tax levied for collection in 2021 was \$20,107,989.68 for general government purposes; and

**WHEREAS**, the discretionary increase in property tax levied attributable to the inflation factor for collection in 2022 shall be in the amount of \$201,079.90, which is a percentage increase of 1.0% from the previous year; and

**WHEREAS**, the non-discretionary increases in property tax levied for collection in 2022 can only be estimated due to the absence of final values to be provided by the Yakima County Assessor, now, therefore,

### **BE IT ORDAINED BY THE CITY OF YAKIMA:**

Section 1. The following increases in the regular property tax levy, over the amount of the previous year's levy, are hereby authorized to be cumulatively levied for collection in 2022:

- A. A discretionary increase of \$201,079.90, attributable to the inflation factor which is a percentage increase of 1.0% over the amount levied for collection in 2021; plus
- B. An estimated increase of \$0 for recent annexations; plus
- C. An estimated increase of \$249,373.42 for new construction and improvements to property; plus
- D. An estimated increase of \$53,663.63 for a refund levy; plus
- E. An increase authorized by state law for state-assessed property values.

Section 2. The City Clerk is directed to transmit and file a certified copy of this ordinance with the Board of Yakima County Commissioners and the Yakima County Assessor on or before November 30, 2021.

Section 3. Pursuant to Article VI, Section 2 of the Yakima City Charter, this ordinance shall take effect on November 16, 2021.

**ORDINANCE A**

**PASSED BY THE CITY COUNCIL**, signed and approved this 16th day of November, 2021.

ATTEST:

\_\_\_\_\_  
Patricia Byers, Mayor

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Sonya Claar Tee, City Clerk

Publication Date:\_\_\_\_\_

Effective Date:\_\_\_\_\_