

10/11/1999

Clerk 11-22-99  
Clerk 10/13/99

Introduced By: Greg Nickels  
Jane Hague

Proposed No.: 1999-0607

ORDINANCE NO. **13670**

AN ORDINANCE relating to the county regular property tax levy for tax collection in 2000; implementing the provisions of RCW 84.55.0101, finding substantial need for and providing for a limit factor other than that otherwise provided by RCW 84.55.010.

PREAMBLE:

In November 1997, the voters of the State of Washington approved Referendum 47, a measure limiting local property tax increases to the rate of inflation as measured by the national implicit price deflator (IPD) unless officials can show a substantial need to exceed the IPD level. In its effort to responsibly implement this budgeting factor, the King County Council has worked with and listened to voters to determine how to reach the IPD.

In 1998, the council trimmed the executive's proposed levy increase by a full percentage point and developed a financial plan, adopted into law in 1999, that established a continuing downward pattern to responsibly reach the IPD level in no more than five years.

For the year 2000, the adopted financial plan directed the executive to submit a proposed budget with a property tax levy no higher than 104.0 percent of the previous year's levy. The executive has responded by providing a budget proposal with a limit factor of 103.5 percent, 0.50 percent under the adopted financial plan, placing King County in a sound position to continue reducing its reliance on property taxes in the years ahead.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Finding of substantial need.

33 Pursuant to RCW 84.55.0101, and in order to support the county government and  
34 the services it provides, the council hereby finds that there is a substantial need to use a  
35 limit factor other than that otherwise provided by RCW 84.55.010. Passage of Washington  
36 State Initiative 695 (I-695) has implemented reductions in Motor Vehicle Excise Tax  
37 (MVET) revenue which dramatically affects the financial capacity of King County as  
38 itemized below.

39 A. Although failing in King County, I-695 passed statewide on November 2, 1999.  
40 This new state law, effective January 1, 2000, significantly reduces projected 2000  
41 revenue to King County for transit, public health, and criminal justice functions. The  
42 estimated loss of Motor Vehicle Excise Tax revenue to King County is \$127.3 million,  
43 which may be partially mitigated by up to \$50 million in 2000 due to the timing of 1999  
44 MVET collections and distributions.

45 B. King County expects to use \$56 million in state funding for transit in the year  
46 2000 and \$106 million in 2001. In addition, approximately \$80 million in federal and  
47 state matching grants are projected to be lost over the next six years, and an annual loss of  
48 \$13 million in fare revenue resulting from reductions in services is also projected. This  
49 represents roughly thirty percent of the county's transit budget and would require the loss  
50 of approximately 1.1 million transit hours, which in turn will reduce the public  
51 transportation fund's contribution to the overhead and internal funds of the general current  
52 expense (CX) fund. Therefore, the overhead and internal service fund will rely more  
53 heavily on property tax revenues.

54 C. King County expects To lose \$4.2 million in state funding for the criminal  
55 justice fund in the year 2000 and \$5.4 million in 2001. This represents roughly three  
56 percent of the county's criminal justice budget.

57 D. King County expects to lose \$10.5 million in state funding for public health in  
58 the year 2000. This represents roughly twenty-five percent of local discretionary funds for  
59 this budget.

60 E. King County performs functions on behalf of the State of Washington for which  
61 it is not reimbursed.

62 F. While King County is effecting financial reductions in all functions, the depth of  
63 the MVET repeal cannot be successfully mitigated within one year without successful  
64 negotiation with the State of Washington on many of its current unfunded mandates.

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SECTION 2. Limit factor. The limit factor to be used for the county regular property tax levy for taxes to be collected in 2000 shall be 103.5 percent.

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INTRODUCED AND READ for the first time this 18<sup>th</sup> day of October, 1999.

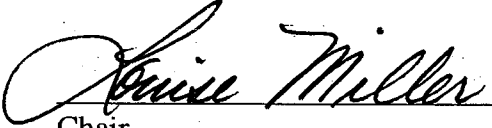
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PASSED by a vote of 8 to 5 this 22nd day of November, 1999.

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KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

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Chair

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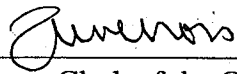
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ATTEST:

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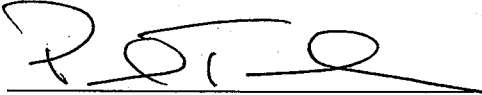
  
Clerk of the Council

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APPROVED this 22nd day of November, 1999.

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Deputy King County Executive

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Attachments: None

10/11/1999

Introduced By: Jane Hague  
Greg Nickels

Clerk 11-22-99  
Clerk 10/13/99

Proposed No.: 1999-0610

ORDINANCE NO. **13671**

1  
2 AN ORDINANCE relating to the county regular property tax  
3 levy for tax collection in 2000; implementing the provisions of  
4 RCW 84.55.120, authorizing an increase over the prior year of  
5 7,662,784 dollars, which is a percentage increase of 3.53  
6 percent.

7 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

8 SECTION 1. The council, after proper notice having been given to the public,  
9 authorizes an increase in the 1999 county regular property tax levy for collection in 2000  
10 over the 1998 levy for collection of taxes in 1999 of 7,662,784 dollars, which is a