

**RESOLUTION NO. 15-13**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINGTON, KING COUNTY, WASHINGTON, MAKING A DECLARATION OF SUBSTANTIAL NEED FOR THE PURPOSE OF SETTING THE LIMIT FACTOR FOR THE PROPERTY TAX LEVY FOR 2015.**

WHEREAS, 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 new construction and improvements to property, newly constructed wind turbines, and any increase in the value of state-assessed utility property; and

WHEREAS, under RCW 84.55.005(2)(c), the limit factor for a taxing jurisdiction with a population of 10,000 or more is the lesser of 101 percent or 100 percent plus inflation; and

WHEREAS, RCW 84.55.005(1) defines "inflation" as the percentage change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent 12-month period by the Bureau of Economic Analysis of the federal Department of Commerce in June of the year before the taxes are payable; and

WHEREAS, "inflation" for June 2015 is 0.251 percent and the limit factor is 100.251 percent, meaning the taxes levied in the City of Covington in 2015 for collection in 2016 will decrease except for the amounts resulting from new construction and improvements to property, newly constructed wind turbines, any increase in the value of state-assessed utility property, any annexations that have occurred, and any prior year refunds; and

WHEREAS, RCW 84.55.0101 provides for use of a limit factor of 101 percent or less with a declaration of substantial need by a majority plus one Councilmembers; and

WHEREAS, The City of Covington has experienced declining and unstable revenues for utility taxes, real estate excise taxes, as well as other sources of revenue as a result of mixed economic conditions; and

WHEREAS, the City of Covington has incurred increasing costs far in excess of the one percent limit factor in police services, audit services, animal control services, labor and benefits, park and general maintenance services, supplies and other applicable general fund services; and

WHEREAS, the City of Covington's General Fund would benefit from a declaration of substantial need; and

WHEREAS, the City Council of the City of Covington finds there is a substantial need to set the levy limit at hundred one percent (101%);


NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINGTON HEREBY RESOLVES AS FOLLOWS:

**Section 1.** A declaration is made of substantial need under RCW 84.55.0101, which authorizes the use of a limit factor of one hundred one percent (101%) for the property tax levy for 2015.

**ADOPTED** in open and regular session on this 24<sup>th</sup> day of November, 2015.

  
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Mayor Margaret Harto

Attested:

  
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Sharon Scott, City Clerk

APPROVED AS TO FORM:

  
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Sara Springer, City Attorney