

**Subject: Ordinance #1537 – Adoption of Property Tax Levy for 2021**

**Dept. Origin: Clerk’s Office**  
**Prepared by: Jennifer Robertson, City Attorney’s Office**  
**Meeting Date: November 3, 2020**  
**Exhibits: Ordinance #1557**

**Proposed Council Action:**

This is on for First Reading. This matter Will return for a Public Hearing and Second Reading & Adoption on November 17, 2020.

Initial & Date

**Concurred by Mayor:** \_\_\_\_\_  
**Approved by City Planner:** \_\_\_\_\_  
**Approved as to form by City Atty:** JSR/10-12-2020  
**Approved by Finance Director:** \_\_\_\_\_  
**Approved by Department Head:** \_\_\_\_\_

**INFORMATION / BACKGROUND**

As part of the budget process, Ruston will consider a budget and the revenue sources for City operations and capital expenses. As part of that process, the City is required to hold a public hearing on this topic.<sup>1</sup> The public hearing on revenue sources is currently scheduled to coincide with Second Reading of Ordinance No. 1537 on November 17, 2020.

Ruston is required to adopt its property tax levy in November of each year by ordinance and transmit a certified copy of the ordinance to Pierce County Assessor-Treasurer and to the Pierce County Council no later than November 30<sup>th</sup>.<sup>2</sup> A Levy Certification must also be transmitted with the Ordinance.

Adoption of this Ordinance should be scheduled on the agenda for after the public hearing on the revenue during the meeting on **November 17, 2020**.

**FISCAL CONSIDERATION**

This levy ordinance increases the property taxes levied by Ruston by the maximum amount allowed by law (one percent plus new construction, etc.). The total estimated 2020 levy amount is **\$597,303.01**, which includes additional property tax estimated from new construction (**\$13,011.21**, based on a new construction value of \$6,576,700) and the

<sup>1</sup> RCW 84.55.120.

<sup>2</sup> RCW 35A.33.135; 84.52.020; 35A.33.135.

estimated additional revenue from the increase in administrative refunds (**\$35,348.09**). In 2020, the City collected \$593,076.53.

In Section 2, Ordinance No. 1537 provides that there is a zero increase from last year. That is due to refunds which actually created as 7.44% (or \$4,132.81) decrease. However, in working with the Assessor's Office, using the zero in the ordinance is the correct method. The City should see a slight increase between 2020 and 2021 collections.

**BOARD OR COMMITTEE RECOMMENDATION**

None.

**RECOMMENDATION / MOTION**

This is on for First Reading. No action is requested. The City Council will hold the Public Hearing on November 17, 2020 in order to meet the adoption and certification deadline under State law of November 30, 2020.

**ORDINANCE NO. 1537**

**AN ORDINANCE OF THE CITY OF RUSTON, WASHINGTON, ESTABLISHING THE AMOUNT OF PROPERTY TAXES TO BE LEVIED FOR THE YEAR 2021, LEVYING AN INCREASE OF THE REGULAR PROPERTY TAX LEVY IN THE HIGHEST AMOUNT LAWFULLY PERMITTED, AND ESTABLISHING AN EFFECTIVE DATE.**

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WHEREAS, the City Council of the City of Ruston held meetings on November 3, 2020 and November 17, 2020 during which time it considered its budget and taxes for the 2021 calendar year; and

WHEREAS, in accordance with RCW 84.55.120, on November 17, 2020 the City Council held a duly-noticed public hearing on revenue sources for the 2021 budget, including considering of possible increases in property tax revenues; and

WHEREAS, the public hearing was held prior to the passage of this Ordinance; and

WHEREAS, the estimated valuation of all taxable property within the City of Ruston is \$329,388,231.00 exclusive of valuations resulting from new construction, improvements to property, or refunds made; and

WHEREAS, the City's actual levy amount from the previous year was Five Hundred Ninety Three Thousand Seventy Six Dollars and Fifty Three Cents (\$593,076.53); and

WHEREAS, the City Council attests that the City's population is less than 10,000; and

WHEREAS, on November 3, 2020, the City Council held the first reading on this Ordinance; and

WHEREAS, on November 17, 2020, the City Council held a public hearing on this Ordinance after duly noticing the same; and

WHEREAS, on November 17, 2020, the City Council adopted this Ordinance during its meeting at second reading after holding the public hearing; **NOW, THEREFORE**

**THE CITY COUNCIL OF THE CITY OF RUSTON DOES HEREBY ORDAIN AS FOLLOWS:**

**Section 1.** An increase in the regular property tax levy is hereby authorized for the levy to the maximum allowable rate be collected in the 2021 tax year.

**Section 2.** The dollar amount of the increase over the actual levy amount from the previous year shall be (\$0.00), which is a percentage increase of 0.00 percent over the previous year. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred and refunds made.

**Section 3. Ordinance filing required.** The City Clerk is directed to transmit a certified copy of this ordinance to the Office of the Auditor of the State of Washington, Division of Municipal Corporations. The City Clerk is further directed to transmit a certified copy of this ordinance to both the Pierce County Assessor-Treasurer and to the Pierce County Council, Attention Clerk immediately after passage by the City Council but no later than November 30, 2020.

**Section 4. Recertification authorized.** The City Clerk is further directed to timely file any recertification needed after receipt of the final adjusted year-end values in December from the Pierce County Assessor-Treasurer. Such recertification, if needed, shall be filed no later than the date established by the County Assessor's Office.

**Section 5. Publication.** This Ordinance shall be published by an approved summary consisting of the title.

**Section 6. Effective date.** This ordinance shall take effect and be in force five (5) days after passage and legal publication.

ADOPTED by the City Council of the City of Ruston and attested by the City Clerk in authentication of such passage on this 17th day of November, 2020.

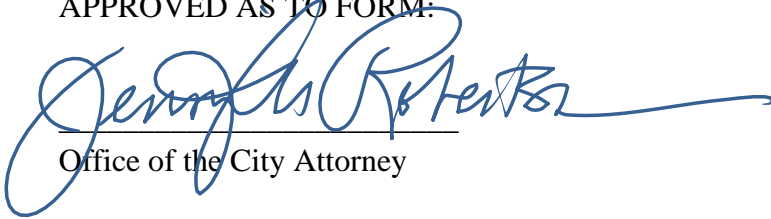
APPROVED by the Mayor this 17th day of November, 2020.

\_\_\_\_\_  
Bruce Hopkins, Mayor

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
Judy Grams, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Office of the City Attorney

FILED WITH THE CITY CLERK: \_\_\_\_\_

PASSED BY THE CITY COUNCIL: \_\_\_\_\_

PUBLISHED: \_\_\_\_\_

EFFECTIVE DATE: \_\_\_\_\_

ORDINANCE NO: 1537



# Pierce County

## Office of the Assessor-Treasurer

2401 South 35<sup>th</sup> Street, Room 142  
Tacoma, Washington 98409-7498  
(253) 798-6111 • FAX (253) 798-3142  
ATLAS (253) 798-3333  
www.piercecountywa.org/atr

Mike Lonergan  
Assessor-Treasurer



CITY OF RUSTON

### MEMORANDUM

**DATE:** September 22, 2020  
**TO:** Pierce County Taxing Districts  
**FROM:** Mike Lonergan, Assessor-Treasurer  
**RE:** **Preliminary Certification of Assessed Values/Levy Limit Factor**

Enclosed is the Preliminary Certification of Assessed Values for your taxing district. These values include last year's State Assessed Property Values.

For budget preparation assistance to applicable districts, Levy limit factor worksheets, court ordered refund information, and sample ordinance/resolutions are included. *The amount of the prior year's additional revenue from increase in state assessed property listed on the preliminary values memo may be added to the levy limit calculation for estimating budget purposes and preparing Levy Certifications.*

**Submit original ad valorem Budget / Levy Certifications & an approved Ordinance or Resolution no later than November 30<sup>th</sup>:**

Pierce County Council  
Attention: Clerk, Rm. 1046  
County City Building  
930 Tacoma Ave. S  
Tacoma, WA 98402

**And a copy to:**  
Pierce County Assessor-Treasurer  
Attention: Levy Dept.  
2401 S. 35<sup>th</sup> St. Rm. 142  
Tacoma, WA 98409

**email: [kim.fleshman@piercecountywa.gov](mailto:kim.fleshman@piercecountywa.gov)**

**DUE TO THE GOVERNOR'S STAY HOME STAY HEALTHY ORDER PLEASE EMAIL 2<sup>ND</sup> COPIES IN PDF FOR THE ASSESSOR-TREASURER TO KIM FLESHMAN**

(Failure to submit a budget request & the district's Resolution/Ordinance may adversely affect next year's Levy collection)

#### **Preliminary Values Are Subject to Change.**

Districts will receive **Final** values in late December.

Amended Levy Certifications may be submitted to the Pierce County Council & Pierce County Assessor-Treasurer after final values have been calculated.

The district's Ordinance/Resolution **must** identify these three components.

- The **dollar amount of the previous year's levy**. The actual levy received, including refunds.
- The **dollar amount of increase** reflects the difference between the previous year's actual levy and the 1% growth of the highest lawful levy, or a lesser amount if banking levy capacity.
- The **percent of increase** equals the change over the prior year's actual levy plus the dollar amount of increase equal to the district's highest lawful levy for this year, or a lesser amount if banking levy capacity.

The sample Ordinance/Resolution enclosed provides the amounts for districts wishing to request their highest lawful levy.

## Levy FAQs

**Q. How should the Ordinance/Resolution read if the district is limited at a lesser amount due to the statutory maximum rate limit?**

**A. Prepare the document as though there is no limit due to the statutory maximum rate. Add language to inform the district's taxpayers of the rate limit and the projected allowable levy to the Ordinance/Resolution.**

**The Ordinance/Resolution must contain three amounts; last year's actual levy, the dollar amount & percent of increase needed for the following year. The intent of the district must be clear in the Ordinance/Resolution.**

**Q. Why does the sample Ordinance/Resolution show more/less than 1%?**

**A. The 1% limit refers to the limitation of increase to a district's highest lawful levy known as the Levy Limit Factor. The percent of increase approved in a district's Ordinance/Resolution equals the change over the prior year's actual amount levied plus the dollar amount of increase for the next year's budget needs.**

- **The simple act of passing an Ordinance/Resolution allows a district to increase the Highest Lawful levy by the lesser of 1% or the IPD, depending on the size of the district.**
- **The increase authorized in the document identifies how much of that increase is required for the next year's budget needs.**

**Q. Why does the sample show \$0 increase and an increase of 0%?**

**A. The total amount levied in the prior year is more than this year's increase from the limit factor, the district should ask for a \$0 and 0% increase. This does not affect any increase allowed by the limit factor increase of the highest lawful levy. Once a district passes the Ordinance/Resolution the Highest Lawful levy is allowed to increase by the limit factor.**

**A district's Ordinance or Resolution controls two levy limitations;**

- 1. The act of passing a resolution/ordinance allows the Limit Factor increase (lesser of 1% or the IPD) to the highest lawful levy.**
- 2. The authorized percent and dollar amount stated increase over the prior year's actual, Certified levy request.**

**Q. What documents need to be submitted by November 30?**

**A. No later than November 30, provide a copy of the approved Ordinance/Resolution & the Levy Certification (Budget Request).**

***FAILURE TO PROVIDE THESE DOCUMENTS BY THE DUE DATE COULD ADVERSLEY AFFECT YOUR LEVY.***



**Pierce County**

**Mike Lonergan, Assessor-Treasurer**

2401 South 35th Street  
Tacoma, WA 98409-7498  
(253) 798-6111 FAX (253) 798-3142  
ATLAS (253) 798-3333  
www.piercecountywa.org/atr

September 22, 2020

OFFICIAL NOTIFICATION TO: RUSTON

RE: 2020 PRELIMINARY ASSESSED VALUES

FOR REGULAR LEVY

Total Taxable Regular Value	329,388,231
Highest lawful regular levy amount since 1985	543,508.63
Last year's actual levy amount (including refunds)	593,076.53
Additional revenue from current year's NC&I	13,011.21
Additional revenue from annexations (RCW 84.55)	0.00
Additional revenue from administrative refunds (RCW 84.69)	35,348.09
<i>No additional revenue from administrative refunds will be allowed if you are limited by your statutory rate limit.</i>	
<b>Prior Year's Additional revenue from increase in state-assessed property</b>	<b>508.64</b>

FOR EXCESS LEVY

Taxable Value	326,195,325
Timber Assessed Value	-
Total Taxable Excess Value	326,195,325

2020 New Construction and Improvement Value 6,576,700

*If you need assistance or have any questions regarding this information, please contact Kim Fleshman  
253.798.7114 kim.fleshman@piercecountywa.gov*





**Pierce County**

**Mike Lonergan, Assessor-Treasurer**

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**PRELIMINARY HIGHEST LAWFUL LEVY LIMIT 2020 FOR 2021**

**RUSTON  
< 10,000**

**REGULAR TAX LEVY LIMIT:**

**2019**

A. <u>Highest regular tax which could have been lawfully levied beginning with the 1985 levy</u> [refund levy not included] times limit factor (as defined in RCW 84.55.005).	543,508.63
	1.01
	548,943.72
B. Current year's assessed value of new construction, improvements and wind turbines in original districts before annexation occurred times last year's levy rate (if an error occurred or an error correction was made in the previous year, use the rate that would have been levied had no error occurred).	6,576,700
	1.978379984391
	13,011.21
C. Current year's state assessed property value in original district if annexed less last year's state assessed property value. The remainder to be multiplied by last year's regular levy rate (or the rate that should have been levied).	1,761,546
	1,761,546
	0.00
	1.978379984391
	0.00
<b>D. REGULAR PROPERTY TAX LIMIT (A + B + C)</b>	<b>561,954.92</b>

**ADDITIONAL LEVY LIMIT DUE TO ANNEXATIONS:**

E. To find rate to be used in F, take the levy limit as shown in Line D above and divide it by the current assessed value of the district, excluding the annexed area.	561,954.92
	329,388,231
	1.706056461987
F. Annexed area's current assessed value including new construction and improvements times rate found in E above.	0.00
	1.706056461987
	0.00
<b>G. NEW LEVY LIMIT FOR ANNEXATION (D + F)</b>	<b>561,954.92</b>

**LEVY FOR REFUNDS:**

H. RCW 84.55.070 provides that the levy limit will not apply to the levy for taxes refunded or to be refunded pursuant to Chapters 84.68 or 84.69 RCW. (D or G + refund if any)	561,954.92
	35,348.09
	597,303.01
<b>I. TOTAL ALLOWABLE LEVY AS CONTROLLED BY THE LEVY LIMIT (D,G,or H)</b>	<b>597,303.01</b>

J. Amount of levy under statutory rate limitation.	329,388,231
	3.375000000000
	<b>1,111,685.28</b>

<b>K. LESSER OF I OR J</b>	<b>597,303.01</b>
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**EXAMPLE OF ORDINANCE/RESOLUTION  
REQUESTING HIGHEST LAWFUL LEVY**

**Ordinance/Resolution No. \_\_\_\_\_  
RCW 84.55.120**

**WHEREAS**, the \_\_\_\_\_ of **RUSTON** has met and considered  
(Governing body of the taxing district) (Name of the taxing district)  
its budget for the calendar year 2021; and,

**WHEREAS**, the districts actual levy amount from the previous year was \$ **593,076.53** and,  
Previous Year's Levy Amount

**WHEREAS**, the population of this district is  more than or  less than 10,000; and now, therefore,  
(Check One)

**BE IT RESOLVED** by the governing body of the taxing district that an increase in the regular property tax levy  
is hereby authorized for the levy to be collected in the **2021** tax year.  
(Year of Collection)

The dollar amount of the increase over the actual levy amount from the previous year shall be \$ **(44,132.81)**  
which is a percentage increase of **-7.441335%** from the previous year. This increase is exclusive of  
(Percentage Increase)

additional revenue resulting from new construction, improvements to property, newly constructed wind turbines,  
any increase in the value of state assessed property, any annexations that have occurred and refunds made.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**SAMPLE**

**If additional signatures are necessary, please attach additional page.**

This form or its equivalent must be submitted to your county assessor prior to their calculation of the property tax. This form or its equivalent must be submitted to your county assessor prior to their calculation of the property tax levies. A certified budget/levy request, separate from this form is to be filed with the County Legislative Authority no later than November 30th. As required by RCW 84.52.020, that filing certifies the total amount to be levied by the regular property tax levy. The Department of Revenue provides the "Levy Certification" form (REV 64 0100) for this purpose. The form can be found at:

For tax assistance, visit <http://dor.wa.gov/content/taxes/property/default.aspx> or call (360) 570-5900. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users may



# Levy Certification

Submit this document to the county legislative authority on or before November 30 of the year preceding the year in which the levy amounts are to be collected and forward a copy to the assessor.

In accordance with RCW 84.52.020, I, \_\_\_\_\_,  
(Name)

\_\_\_\_\_, for \_\_\_\_\_, do hereby certify to  
(Title) (District Name)

the \_\_\_\_\_ County legislative authority that the \_\_\_\_\_  
(Name of County) (Commissioners, Council, Board, etc.)

of said district requests that the following levy amounts be collected in \_\_\_\_\_ as provided in the district's  
(Year of Collection)

budget, which was adopted following a public hearing held on \_\_\_\_\_;  
(Date of Public Hearing)

Regular Levy: \_\_\_\_\_  
(State the total dollar amount to be levied)

Excess Levy: \_\_\_\_\_  
(State the total dollar amount to be levied)

Refund Levy: \_\_\_\_\_  
(State the total dollar amount to be levied)

Signature: \_\_\_\_\_

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

To ask about the availability of this publication in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users, please call (360) 705-6718. For tax assistance, call (360) 534-1400.