

LAKE FOREST PARK CITY COUNCIL

Agenda Item Cover Sheet

Meeting Date: November 27, 2007

<u>Title</u>	Protecting Future Levy Capacity	
<u>Originating Department</u>	Finance Department	
<u>Contact Persons</u>	John Hawley, Finance Director David Cline, City Administrator	
<u>Attachment</u>	1) Resolution 1073	
Regular Meeting	Special Meeting	
November 15, 2007	November 27, 2007	

SUMMARY STATEMENT:

The Washington State Supreme Court ruled on November 8, 2007 that Initiative 747 is unconstitutional. Therefore, for jurisdictions with a population of 10,000 or more, the allowed increase for 2008 property taxes has reverted back to the old law prior to I-747.

On November 15th, the City Council adopted Ordinance 966, which increased the 2008 property levy amount by 1% plus new construction. On November 15th, the Council also discussed a proposed draft version of Resolution 1073. This discussion was delayed for final action until the next regular meeting of the City Council on December 13th to respond to a request for additional information.

Since then, the City has received additional information from the King County Assessor. The King County Assessor has determined a new levy limit factor based on the recent Supreme Court ruling. The revised resolution reflects this new information and allows the City to protect this levy capacity for future years.

The Governor also recently called a special session of the State Legislature for November 29th for the stated purpose of reinstating the 1% limit on future property tax levies.

In order to protect the difference between the 1% levy increase in Ordinance 966 and the new limit factor to be established by the State in 2008, the City has the option of passing Resolution 1073, which will protect the levy capacity from prior years and the difference between the 1% levy and the new limit for 2008.

This ordinance does not change the levy amount for 2008, but provides future Councils with possible options in the future.

RECOMMENDATION:

Review, discuss and take action on Resolution 1073.