

ORDINANCE NO. 2009-23

AN ORDINANCE of the City of Bainbridge Island, Washington, stating the intent of the City to increase the levy of general property taxes for the City of Bainbridge Island for the fiscal year commencing January 1, 2010, at a rate in excess of the increase in the implicit price deflator, and finding substantial need for the increase.

WHEREAS, RCW 84.55.010 provided 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, 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 September of the year before the taxes are payable; and

WHEREAS, "inflation" for July 2009 is -0.848 percent and the limit factor is 99.152 percent, meaning the taxes levied in the City of Bainbridge Island in 2009 for collection in 2010 will decrease except for the 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, RCW 84.55.0101 provides for use of a limit factor of 101 percent or less with a finding of substantial need by a majority plus one councilmember (or two out of three commissioners); and

WHEREAS, the Office of Financial Management has estimated the City's population to be 23,180 which is in excess of the 10,000 persons, requiring a separate declaration of substantial need to approve a tax increase in excess of the implicit price deflator; and

WHEREAS, the City Council of Bainbridge Island will consider the financial requirements of the City for 2010 as set forth in the Financial Capacity Analysis in the 2009/2010 Biennial Budget and approved/endorsed by the City Council on December 17, 2008, and the amounts necessary and available to be raised by ad valorem taxes on real, personal and utility property which are included therein and will update the projections of the City's Finance Director; and

WHEREAS, the City Council, after hearing and duly considering all relevant evidence and testimony presented a public hearing held for this purpose on November 9, 2009 has determined that the legitimate needs of the City requires an increase in excess of the implicit price deflator in the amount of the property tax levy on real and personal property; and

WHEREAS, the passage of Initiative 695 and the subsequent decrease in motor vehicle excise tax and other revenue available to the City has placed additional pressure on the City's ability to accomplish its mandated functions with the revenues allowed to it; and

WHEREAS, the City, during its administration of the Biennial Budget of 2009/2010 has eliminated over \$2 million annually of operating expenditures to offset the general economic decline in its tax supported funds; now, therefore

**THE CITY COUNCIL OF THE CITY OF BAINBRIDGE ISLAND, WASHINGTON,
DO ORDAIN AS FOLLOWS:**

Section 1. The City Council has determined that, in order to not reduce current service levels and to meet general infrastructure maintenance needs, there is a substantial need to increase the property taxes by one percent and to set the levy limit at one hundred and one percent.

Section 2. An increase in the regular property levy, excluding the increase resulting from the addition of new construction and improvements to property and any increase in state-assessed property, is authorized for the 2009 property tax levy for collection in 2010 in the amount of \$6,446,152 which is an increase of one and no one-hundredths (1.00) percent from the amount authorized for the previous year plus an increase equal to the amount allowed under the new construction provisions of RCW 84.55.010, state-assessed properties and all allowable levies.

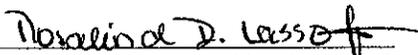
Section 3. This ordinance has been passed by the affirmative vote of at least a majority plus one of the whole membership of the City Council.

Section 4. This ordinance shall be effective 5 days after its passage, approval, and publication as required by law.

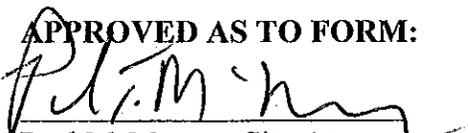
PASSED by a super majority of the City Council of the City of Bainbridge Island, approved by the Mayor and attested by the Clerk in authentication of such passage this 18th day of November 2009.


Chris Snow, Mayor

ATTEST/AUTHENTICATE:


Rosalind D. Lassoff, City Clerk

APPROVED AS TO FORM:


Paul McMurray, City Attorney

FILED WITH THE CITY CLERK:

PASSED BY THE CITY COUNCIL:

PUBLISHED:

EFFECTIVE DATE:

ORDINANCE NO.:

October 15, 2009

November 18, 2009

November 20, 2009

November 25, 2009

2009-23