

DRAFT

RESOLUTION NO. 3007

A RESOLUTION OF THE CITY OF ANACORTES, WASHINGTON, MAKING A
DECLARATION OF SUBSTANTIAL NEED FOR SETTING THE PROPERTY TAX
LEVY FOR 2021

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 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 over is the lesser of 101 percent or 100 percent plus inflation; and

WHEREAS, RCW 84.55.005(1) defines “inflation” the percentage change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent twelve-month period by the bureau of economic analysis of the federal department of commerce by September 25th of the year before the taxes are payable; and

WHEREAS, “inflation” for the most recent 12 month period as published in September 2020 is .60 percent and the limit factor is 100.60 percent, limiting taxes levied in the City of Anacortes in 2020 for collection in 2021 to an increase of .60%; 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 of the City Council; and

WHEREAS, the City of Anacortes’ “substantial need” is in part demonstrated by the impacts of the Covid-19 crisis driving sales tax to 11% below budget during the months the quarantine order has been in effect representing over \$241,000 in reductions of sales tax against expectations; and

WHEREAS, the City of Anacortes’ water utility on which a 7% utility tax is levied has experienced a 6.4% reduction in consumption compared to the prior year which has resulted in a reduction in utility tax of over \$12,000; and

WHEREAS, the Anacortes City Council, after duly considering relevant evidence and factors, has determined that, in order to discharge the expected expenses and obligations of the City, and ensure adequate funding in future years, there is a substantial need to set the levy limit at 1%.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Anacortes, Washington, as follows:

SECTION 1. A finding is made of substantial need under RCW 84.55.0101, which authorizes the use of a limit factor of 101 percent for the property tax levy for 2021.

SECTION 2. Severability. If any section, subsection, sentence, clause, chapter, provision, or phrase of this ordinance or its application to any person or circumstance is found to be unconstitutional or invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remainder of the ordinance or the application or the provisions to other persons or circumstances.

SECTION 3. Effective Date: This ordinance shall take effect and be in full force five (5) days after its passage, approval and publication.

PASSED AND ADOPTED this 16th day of November 2021.

City of Anacortes, Washington

By: _____
Laurie Gere, Mayor

Attest:

Steven D. Hoglund, City Clerk

Approved as to form:

Darcy Swetnam
City Attorney