

Estimates of Revenues for Local Funding Opportunities

The attached estimates are based upon property taxes levied for collection in 2008 unless otherwise noted below. Therefore, these estimates reflect the amount of revenue which would have been raised if any of these options were implemented for property taxes collected in 2008.

Usually property taxes legislative changes become effective for taxes collected at least one year after any legislative changes.

Option 1 - City Conservation Futures Levy (requires legislation)

Allows cities to collect a conservation futures levy of \$0.0625 per \$1,000 of assessed value.

Assumptions:

This new levy would not be subject to the \$5.90 aggregate limit. The current county conservation futures levy is not subject to the \$5.90 aggregate limit.

This levy would be a regular levy and subject to the levy limit calculation.

All cities would begin by levying at the statutory maximum of \$0.0625 per \$1,000 of assessed value.

Additional Information:

This would require legislation to add this new type of levy.

In the last few years, as property values have risen rapidly and because of the 1% levy limit (I-747) rates across many levies have been decreasing. However, this does not mean the revenues collected have been decreasing. The same amount of revenue with the additional 1% and other allowable additions have been collected, the rates are just lower.

This trend is expected to continue.

Option 2 - County Conservation Futures Levy - Increase to the statutory maximum (no legislation required)

Encourage counties to increase a locally adopted conservation futures levy to the statutory maximum rate with voter approval.

Assumptions:

This estimate assumes all four counties (King, Pierce, Kitsap, and Snohomish) would be able to pass a lid lift for the local conservation futures levy.

Additional Information:

In discussion with the Department of Revenue's property tax policy and levy experts, this option does not require new legislation; however, it would require a "Lid Lift" ballot measure passed by the voters of the county. Lid Lift ballot measures can be temporary or permanent.

The reason the conservation futures levies are not currently collected at their maximum rate is because of the 1% levy limit (I-747). However, this does not mean the revenues collected have been decreasing. The same amount of revenue with the additional 1% and other allowable additions have been collected, the rates are just lower.

This trend is expected to continue.

Option 3 - Retain Portion of State Sales Tax on Construction (legislation required)

Allow a city or a county to retain a portion of the state sales tax on construction for funding in designated TDR receiving areas. The fund may be used for infrastructure or other amenities to support increased density or intensity using TDRs under a locally adopted program.

Assumptions:

This estimate assumes this would work like a credit against the state sales tax. There are other programs across the state which do this, and so it is assumed in these counties and cities there enough of the state sales tax to allow the city/county to retain a portion.

This estimate is based on Fiscal Year 2007 Retail Sales as remitted to the Department by businesses in the construction industry.

Additional Information:

Anne Pflug is working on a report for the Legislature related to the Construction industry. For this reason, only the NAICS she is including are included in these estimates. Those NAICS are 2361 (Residential Building Construction) and 2362 (Non-residential Building Construction).

Option 4 - Additional 0.25 % of local Real Estate Excise Tax (REET) (legislation required)

Allow counties and cities to change an additional quarter percent of the local real estate excise tax to fund infrastructure and amenities that support increased density or intensity using TDRs under a locally adopted program.

Assumptions:

This estimate is based upon Fiscal Year 2008 Real Estate Excise Tax collections as submitted to the Department by the counties.

This estimate assumes this would work like the two other quarter percents cities and counties can currently levy.

This estimate assumes the counties and cities involved would be able to levy the quarter percent under any criteria used in the legislation.

Additional Information:

Currently, counties can levy up to one percent for exclusive use in acquiring and maintaining conservation areas. This requires approval of the voters.

The Department of Revenue only has state REET collections by county, so this estimate is based on the state collections by county.

Real estate excise tax is a volatile revenue source; for example, month over month collections have exhibited changes in collections between a negative 30% and positive 49% in calendar year 2007.

The June 2008 Forecast shows a 10.4 percent decrease in REET revenues for Fiscal Year 2009. The November Forecast may be even lower. The November Forecast is used during the Legislative session to estimate revenues.

**City Conservation Futures Levy
\$0.0625 per \$1000 Assessed Value**

County	City	2007	Calendar Year 2008	Totals By County	
		Assessed Value	Revenue	County	Revenue
King	Algona	408,708,568	25,500	King	18,067,900
King	Auburn (King)	5,698,657,863	356,200		
King	Beaux Arts	115,357,391	7,200	Kitsap	742,400
King	Bellevue	31,398,247,235	1,962,400	Pierce	3,108,600
King	Black Diamond	575,006,069	35,900	Snohomish	3,386,600
King	Bothell (King)	3,257,875,943	203,600		
King	Carnation	201,669,633	12,600	Grand Total	25,305,500
King	Clyde Hill	1,577,840,890	98,600		
King	Des Moines	2,908,318,026	181,800		
King	Duvall	821,337,091	51,300		
King	Enumclaw	1,057,723,190	66,100		
King	Hunts Point	764,889,472	47,800		
King	Issaquah	5,872,711,049	367,000		
King	Kent	11,516,918,025	719,800		
King	Kirkland	11,411,209,075	713,200		
King	Lake Forest Park	2,146,258,180	134,100		
King	Medina	2,678,770,104	167,400		
King	Mercer Island	8,879,646,232	555,000		
King	Normandy Park	1,273,981,354	79,600		
King	North Bend	676,604,235	42,300		
King	Pacific (King)	456,871,938	28,600		
King	Redmond	12,753,636,245	797,100		
King	Renton	9,617,254,028	601,100		
King	Seattle	120,991,406,816	7,562,000		
King	Skykomish	24,111,629	1,500		
King	Snoqualmie	1,723,670,171	107,700		
King	Tukwila	4,437,340,786	277,300		
King	Yarrow Point	760,281,402	47,500		
King	Milton (King)	81,499,178	5,100		
King	Federal Way	8,959,544,175	560,000		
King	SeaTac	4,586,215,334	286,600		
King	Burien	3,811,575,786	238,200		
King	Woodinville	2,549,394,246	159,300		
King	Newcastle	2,047,270,696	128,000		
King	Shoreline	7,222,644,635	451,400		
King	Covington	1,880,098,787	117,500		
King	Maple Valley	2,293,390,504	143,300		
King	Kenmore	2,925,150,583	182,800		
King	Sammamish	8,727,679,951	545,500		
Kitsap	Bremerton	3,114,776,428	194,700		
Kitsap	Port Orchard	814,625,858	50,900		
Kitsap	Poulsbo	1,337,337,310	83,600		
Kitsap	Bainbridge Island	6,611,530,449	413,200		
Pierce	Bonney Lake	2,301,868,766	143,900		
Pierce	Buckley	427,221,028	26,700		
Pierce	Carbonado	45,844,652	2,900		
Pierce	Dupont	1,212,061,693	75,800		
Pierce	Eatonville	222,700,004	13,900		

**City Conservation Futures Levy
\$0.0625 per \$1000 Assessed Value**

County	City	2007	Calendar Year 2008
		Assessed Value	Revenue
Pierce	Fife	2,007,019,822	125,400
Pierce	Fircrest	752,019,713	47,000
Pierce	Gig Harbor	1,706,193,620	106,600
Pierce	Milton Joint	645,854,922	40,400
Pierce	Orting	558,253,887	34,900
Pierce	Puyallup	4,539,193,958	283,700
Pierce	Roy	60,406,787	3,800
Pierce	Ruston	106,286,060	6,600
Pierce	South Prairie	35,148,767	2,200
Pierce	Steilacoom	792,302,593	49,500
Pierce	Sumner	1,941,281,690	121,300
Pierce	Tacoma	20,795,031,550	1,299,700
Pierce	Wilkeson	36,178,901	2,300
Pierce	University Place	3,484,320,169	217,800
Pierce	Edgewood	1,345,639,653	84,100
Pierce	Lakewood	5,748,937,233	359,300
Pierce	Pacific Joint	143,200,927	9,000
Pierce	Auburn Joint	828,309,247	51,800
Snohomish	Arlington	2,239,293,774	140,000
Snohomish	Brier	937,995,954	58,600
Snohomish	Darrington	150,003,555	9,400
Snohomish	Edmonds	7,615,549,203	476,000
Snohomish	Everett	13,421,441,112	838,800
Snohomish	Gold Bar	170,391,396	10,600
Snohomish	Granite Falls	304,649,889	19,000
Snohomish	Index	17,317,981	1,100
Snohomish	Lake Stevens	1,932,453,762	120,800
Snohomish	Lynnwood	5,207,253,142	325,500
Snohomish	Marysville	4,523,054,199	282,700
Snohomish	Monroe	1,963,989,458	122,700
Snohomish	Mountlake Terrace	2,342,855,639	146,400
Snohomish	Mukilteo	4,044,382,739	252,800
Snohomish	Snohomish	1,147,261,357	71,700
Snohomish	Stanwood	837,739,709	52,400
Snohomish	Sultan	458,778,620	28,700
Snohomish	Woodway	639,355,034	40,000
Snohomish	Mill Creek	2,998,120,588	187,400
Snohomish	Bothell Joint	3,232,783,269	202,000

**County Conservation Futures Levy Rate Increased
(Rate "Lid Lifted" to Statutory Maximum of \$0.0625 per \$1000 Assessed Value)**

County	2007	Taxes Due 2008		Calendar Year 2008
	Assessed Value	Rate	Levy	Revenue
King	339,460,186,280	0.04641	15,754,037	5,462,200
Kitsap	32,652,262,207	0.03513	1,147,172	893,600
Pierce	89,354,870,537	0.03910	3,493,745	2,090,900
Snohomish	99,315,203,205	0.03178	3,156,430	3,050,800
			Total	11,497,500

**Cities and/or Counties Retaining a Portion of the State Sales Tax
Remitted by Businesses in the Construction Industry
Based on City of Tacoma Retaining \$500,000**

County	City/County Name	DOR Code	FY 2007 Taxable Retail Sales	FY 2007 State Sales Tax	1.787% Retained
King	KING COUNTY	1700	186,941,901	12,151,224	217,100
King	ALGONA	1701	1,384,580	89,998	1,600
King	AUBURN/KING	1702	122,978,614	7,993,610	142,800
King	BEAUX ARTS VILLAGE	1703	1,318,287	85,689	1,500
King	BELLEVUE	1704	823,165,009	53,505,726	956,100
King	BLACK DIAMOND	1705	4,160,407	270,426	4,800
King	BOTHELL/KING	1706	50,253,935	3,266,506	58,400
King	CARNATION	1707	13,393,320	870,566	15,600
King	CLYDE HILL	1708	14,013,456	910,875	16,300
King	DES MOINES	1709	52,320,616	3,400,840	60,800
King	DUVALL	1710	9,837,196	639,418	11,400
King	ENUMCLAW	1711	9,967,471	647,886	11,600
King	COVINGTON	1712	16,598,302	1,078,890	19,300
King	HUNTS POINT	1713	7,317,834	475,659	8,500
King	ISSAQUAH	1714	131,419,510	8,542,268	152,600
King	KENT	1715	129,218,343	8,399,192	150,100
King	KIRKLAND	1716	190,343,798	12,372,347	221,100
King	LAKE FOREST PARK	1717	8,349,753	542,734	9,700
King	MEDINA	1718	41,783,969	2,715,958	48,500
King	MERCER ISLAND CITY	1719	99,616,394	6,475,066	115,700
King	MAPLE VALLEY	1720	9,921,659	644,908	11,500
King	NORMANDY PARK	1721	8,306,887	539,948	9,600
King	NORTH BEND	1722	17,040,954	1,107,662	19,800
King	PACIFIC/KING	1723	2,258,811	146,823	2,600
King	REDMOND	1724	130,403,835	8,476,249	151,500
King	RENTON	1725	190,521,920	12,383,925	221,300
King	SEATTLE	1726	2,240,687,408	145,644,682	2,602,600
King	SKYKOMISH	1727	9,461,830	615,019	11,000
King	SNOQUALMIE	1728	38,097,520	2,476,339	44,300
King	TUKWILA	1729	116,626,537	7,580,725	135,500
King	YARROW POINT	1730	8,489,388	551,810	9,900
King	MILTON/KING	1731	1,276,611	82,980	1,500
King	FEDERAL WAY	1732	141,986,911	9,229,149	164,900
King	SEATAC	1733	100,248,439	6,516,149	116,400
King	BURIEN	1734	41,950,477	2,726,781	48,700
King	WOODINVILLE	1735	34,879,891	2,267,193	40,500
King	NEWCASTLE	1736	9,674,716	628,857	11,200
King	SHORELINE	1737	67,911,452	4,414,244	78,900
King	KENMORE	1738	51,340,872	3,337,157	59,600
King	SAMMAMISH	1739	69,065,487	4,489,257	80,200
Kitsap	KITSAP COUNTY	1800	145,932,115	9,485,587	169,500
Kitsap	BREMERTON	1801	80,072,256	5,204,697	93,000
Kitsap	PORT ORCHARD	1802	17,509,476	1,138,116	20,300
Kitsap	POULSBO	1803	20,868,000	1,356,420	24,200
Kitsap	BAINBRIDGE ISLAND	1804	102,978,133	6,693,579	119,600
Pierce	PIERCE COUNTY	2700	254,783,521	16,560,929	295,900
Pierce	BONNEY LAKE	2701	28,532,976	1,854,643	33,100
Pierce	BUCKLEY	2702	3,631,332	236,037	4,200
Pierce	CARBONADO	2703	442,095	28,736	500
Pierce	DU PONT	2704	19,748,274	1,283,638	22,900

**Cities and/or Counties Retaining a Portion of the State Sales Tax
Remitted by Businesses in the Construction Industry
Based on City of Tacoma Retaining \$500,000**

County	City/County Name	DOR Code	FY 2007	FY 2007	1.787%
			Taxable Retail Sales	State Sales Tax	Retained
Pierce	EATONVILLE	2705	3,780,951	245,762	4,400
Pierce	FIFE	2706	52,470,534	3,410,585	60,900
Pierce	FIRCREST	2707	2,323,516	151,029	2,700
Pierce	GIG HARBOR	2708	78,417,329	5,097,126	91,100
Pierce	MILTON/PIERCE	2709	2,732,469	177,610	3,200
Pierce	ORTING	2710	7,126,786	463,241	8,300
Pierce	PUYALLUP	2711	121,998,602	7,929,909	141,700
Pierce	ROY	2712	1,711,110	111,222	2,000
Pierce	RUSTON	2713	1,122,531	72,965	1,300
Pierce	SOUTH PRAIRIE	2714	99,685	6,480	100
Pierce	STEILACOOM	2715	4,677,431	304,033	5,400
Pierce	SUMNER	2716	43,661,015	2,837,966	50,700
Pierce	TACOMA	2717	430,478,873	27,981,127	500,000 1.787%
Pierce	WILKESON	2718	308,144	20,029	400
Pierce	UNIVERSITY PLACE	2719	14,291,649	928,957	16,600
Pierce	EDGEWOOD	2720	6,645,796	431,977	7,700
Pierce	LAKESWOOD	2721	72,540,315	4,715,120	84,300
Pierce	PACIFIC/PIERCE	2723	2,560,337	166,422	3,000
Pierce	AUBURN/PIERCE	2724	3,531,453	229,544	4,100
Snohomish	SNOHOMISH COUNTY	3100	240,544,004	15,635,360	279,400
Snohomish	ARLINGTON	3101	15,836,702	1,029,386	18,400
Snohomish	BRIER	3102	2,047,824	133,109	2,400
Snohomish	DARRINGTON	3103	1,131,252	73,531	1,300
Snohomish	EDMONDS	3104	49,503,961	3,217,757	57,500
Snohomish	EVERETT	3105	318,235,039	20,685,278	369,600
Snohomish	GOLD BAR	3106	658,573	42,807	800
Snohomish	GRANITE FALLS	3107	25,712,390	1,671,305	29,900
Snohomish	INDEX	3108	121,284	7,883	100
Snohomish	LAKE STEVENS	3109	39,168,296	2,545,939	45,500
Snohomish	LYNNWOOD	3110	85,017,181	5,526,117	98,700
Snohomish	MARYSVILLE	3111	79,576,184	5,172,452	92,400
Snohomish	MONROE	3112	43,491,186	2,826,927	50,500
Snohomish	MOUNTLAKE TERRACE	3113	7,076,287	459,959	8,200
Snohomish	MUKILTEO	3114	33,753,513	2,193,978	39,200
Snohomish	SNOHOMISH CITY	3115	88,182,363	5,731,854	102,400
Snohomish	STANWOOD	3116	13,980,279	908,718	16,200
Snohomish	SULTAN	3117	2,119,801	137,787	2,500
Snohomish	WOODWAY	3118	5,350,709	347,796	6,200
Snohomish	MILL CREEK	3119	25,550,421	1,660,777	29,700
Snohomish	BOTHELL/SNOHOMISH	3120	71,780,076	4,665,705	83,400

*NAICS 2361 & 2362 were used because Anne Pflug (CTED) is using these NAICS in a report for the Legislature. This only includes Residential Building Construction and Non-residential Building Construction. Other types of construction which are not included would be: Heavy and Civil Engineering (utility, highway, etc) and Specialty Trade Contractors (foundations, poured concrete, etc);

**REAL ESTATE EXCISE TAX COLLECTIONS
BY COUNTY FOR FISCAL YEAR 2008**

	STATE	LOCAL	Total Sales Subject To REET	FY 2008 New Revenue From Additional 0.25%
KING.....	299,671,882	117,057,785	23,411,865,744	58,530,000
KITSAP.....	20,799,163	8,124,610	1,624,934,578	4,062,000
PIERCE.....	63,125,435	24,312,052	4,931,674,573	12,329,000
SNOHOMISH.....	81,987,162	31,802,637	6,405,247,030	16,013,000
			Total:	90,934,000

This estimate is based upon Fiscal Year 2008 data. The June Forecast shows a 10.4 percent decrease for REET in Fiscal Year 2009. The November Forecast may be lower and the November Forecast is what will be used for estimating during the Legislative Session.

**Economic and Revenue Forecast Council's
June 2008 General Fund - State Forecast
Real Estate Excise Taxes
(Table 3.11)**

	Millions	Growth Rate
FY 2007	1,069.6	
FY 2008	672.6	-37.12%
FY 2009	602.4	-10.44%
FY 2010	743.7	23.46%
FY 2011	844.1	13.50%