



INFORMATIONAL MEMORANDUM

TO: **Tukwila City Council**
FROM: **Aaron BeMiller, Finance Director**
BY: **Tony Cullerton, Deputy Finance Director**
CC: **Thomas McLeod, Mayor & Marty Wine, City Administrator**
DATE: **October 20, 2025** ([Revised October 27, 2025](#))
SUBJECT: **2026 Property Tax Levy Public Hearing**

ISSUE

Continued discussion and public hearing on the proposed 2026 Regular and Excess Property Tax Levies.

BACKGROUND

Pursuant to RCW 84.55.120, a public hearing is required prior to adopting the City's annual property tax levy. The hearing is scheduled for October 20, 2025.

On September 18, 2025, the City received notice that Tukwila's 2025 assessed valuation for 2026 is projected to total \$9,827,593,190.

The ordinances establishing the 2026 property tax levy will include both the General (Regular) Levy and the Excess Levy related to the Public Safety Plan approved by voters at the November 8, 2016 General Election.

To implement the plan, the City issued \$36.5 million in bonds in 2016, with debt service beginning in 2017. The remaining voter-approved bonds were issued in October 2019. The excess levy will continue annually until the bonds are repaid in full—December 2036 for the 2016 issue and December 2039 for the 2019 issue.

The total excess levy requirement for 2026 is \$5,059,475, which represents the annual debt service obligation for both bond issuances.

DISCUSSION

[There is no new information expected for this conversation. We will address questions from the City Council Meeting held on 10/20/2025.](#)

Levy Amount

Both the assessed valuation and allowable levy amount are subject to adjustment until final certification of the levy rate by the King County Department of Assessments.

For ordinance preparation, a general levy amount of \$12,459,905 will be used. Should the final allowable levy be different than this amount, the King County Department of Assessments will automatically adjust the certified levy and no further Council action will be required.

Levy Limit

Under RCW 27.12.390, the maximum statutory levy rate for cities is \$3.60 per \$1,000 of assessed value, less any regular levy made by a library district. Additionally, RCW 41.16.060 authorizes an additional levy of \$0.225 per \$1,000 of assessed value for cities maintaining a firemen's pension fund.

Due to the 1% levy limitation, the preliminary levy rate for the City of Tukwila is projected at \$1.26785 per \$1,000 of assessed valuation for collections in 2026.

For purposes of the ordinance, the excess levy amount is proposed at \$5,059,475 to fund 2026 debt service for the Unlimited Tax General Obligation (UTGO) Bonds issued in 2016 and 2019.

Should the final assessed valuation differ from this amount, the King County Department of Assessments will automatically adjust the certified levy, and no further Council action will be required. All voter-authorized bonds associated with the Public Safety Plan have now been issued.

For 2026, the calculated rate for the regular levy \$1.2678 per \$1,000 of assessed valuation, and \$0.51722 per \$1,000 of assessed valuation for the excess levy.

RECOMMENDATION

The City Council is being asked to approve the ordinances adopting the General Property Tax Levy and the Excess Property Tax Levy

ATTACHMENTS

Presentation
Draft Ordinances (2)

Public Hearing 2026 Property Tax Levy

City Council Presentation

Finance Department | October 20, 2025

Purpose of Presentation

- Overview of 2026 Property Tax Levies
- Regular (General) and Excess (Debt Service) Levies
- \$6 million in unlevied banked capacity

Overview of 2026 Property Tax Levies

- Regular Levy – Supports city services
- Excess Levy – Pays voter-approved bond debt
- Rates set by King County Assessor based on certified AV

Regular Property Tax Levy

Assessed Valuation (2025 for 2026 collections): \$9.83B

Maximum Allowable Levy: \$18.46M

Proposed 2026 Levy: \$12.46M

Preliminary Rate: \$1.27 per \$1,000 Assessed Valuation

- Proposed 2026 Levy (\$12.4M)/Assessed Value (\$9.8 B) x 1,000
= \$1.27
- Prior year rate: \$1.24

Excess (Debt Service) Levy

- Funds Public Safety Plan Bonds (2016 & 2019)
- Bonds: \$33.0 mill in 2016 + additional 2019 issuance \$37.8 mill
- 2026 Levy requirement for debt service payment \$5.06M
- Final Maturities: 2036 (2016 bonds), 2039 (2019 bonds)

Impact to Property Owners

Example - Home Value: \$600,000

$$\$600,000 / 1,000 = \$600$$

$$\$600 \times 1.2678 = \$762$$

$$\$600 \times 0.52 = \$312$$

Regular Levy: \$1.27 → \$762

Excess Levy: \$0.52 → \$312

Total City Portion: ~\$1,074/year

Impact to Property Owners

	2024 %	2025 %	Diff
Tukwila School District	32.6%	33.5%	0.9%
State Schools	23.4%	20.8%	-2.6%
City of Tukwila	22.3%	15.9%	-6.4%
King County	12.4%	12.6%	0.2%
Puget Sound Regional Fire	0.0%	8.3%	8.3%
Other	5.3%	5.4%	0.1%
Library	2.7%	2.3%	-0.4%
Tukwila Pool	1.4%	1.4%	0.0%
Total	100.0%	100.0%	
Other:			
County Flood Zone			
Port of Seattle			
EMS			
Sound Transit			

Property Tax Budget

	2025	2026
Highest Lawful Levy	17,999,228	18,459,905
Unlevied Amount	(6,000,000)	(6,000,000)
Proposed Levy - Property Tax Revenue	11,999,228	12,459,905
Assessed Value	9,650,575,475	9,827,593,190
Estimated Levy Rate	1.24	1.27

City Portion of Total Property Tax
15.9%

Banked Capacity

- Revenue capacity (regular levy) available but not collected
- \$6,000,000 not levied and banked
- Reflects fiscal restraint and taxpayer consideration

Process & Next Steps

1. Public Hearing (October 2025)
2. Council Review (October / November 2025)
3. Adoption of Levy Ordinances (November 2025)

Two Ordinances:

- Regular Property Tax Levy
- Excess Property Tax Levy

Summary

- Regular Levy supports essential services (1% limit)
- Excess Levy funds Public Safety debt
- \$6M banked capacity reflects fiscal prudence
- Compliant with RCW 84.55 and 84.52

DRAFT

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
TUKWILA, WASHINGTON, RELATING TO PROPERTY
TAXES; FIXING THE 2026 GENERAL PROPERTY TAX
LEVY FOR THE CITY OF TUKWILA REGULAR LEVY,
COMMENCING JANUARY 1, 2026, ON ALL PROPERTY,
BOTH REAL AND PERSONAL, IN COMPLIANCE WITH
RCW 84.55.120; PRESERVING FUTURE LEVY CAPACITY;
PROVIDING FOR SEVERABILITY; AND ESTABLISHING
AN EFFECTIVE DATE.**

WHEREAS, the City of Tukwila has properly given notice of a public hearing held on October 20, 2025, to consider the ad valorem tax levy for 2026 collections pursuant to RCW 84.55.120; and

WHEREAS, the King County Assessor provided a preliminary estimated assessed value of taxable real property in the City of Tukwila of \$9,827,593,190, which is subject to adjustment for senior citizens exemptions as provided for in RCW 84.36.381 and for omitted assessments as provided for in RCW 84.40.080; and

WHEREAS, under state law, a local government may not increase its property tax collections by more than 1% from the previous year or the change in IPD (Implicit Price Deflator), whichever is less; and

WHEREAS, the IPD rate of inflation for property tax collections due in 2026 is 2.44%; and

WHEREAS, after such hearing and after duly considering all relevant evidence and testimony presented, the City Council has determined that the City of Tukwila will increase property tax collections from the previous year's actual collections by \$460,677, or 3.84%, which excludes any increase resulting from additions of new constructions and improvements to property, any increase in the value of state-assessed property, and amounts authorized by law as a result of any annexations that have occurred and refunds

made, in order to discharge the expected expenses and obligations of the City in its best interest; and

WHEREAS, the City Council desires to protect the City's future levy capacity pursuant to RCW 84.55.092, calculated in future years as though the maximum lawful levy amount allowed by state law had been levied; and

WHEREAS, the City is required to certify the amount to be raised by taxation on assessed valuation with the clerk of the county legislative authority by November 30, 2025;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, HEREBY ORDAINS AS FOLLOWS:

Section 1. General 2026 Property Tax Levy Authorized. The annual amount of general property tax levy necessary to raise the amount of revenues required by City of Tukwila for expenditure during calendar year 2026 is hereby levied upon all real and personal property subject to taxation in the City of Tukwila as set forth in the table below.

Est. Assessed Value (AV) for collections in 2026	9,827,593,190
2026 Highest Lawful Collections	18,459,905
2026 Budgeted Collections	12,459,905
Dollar (\$) Decrease from 2026 Highest Lawful Collections	(6,000,000)
% Decrease from 2026 Highest Lawful Collections	-32.50288%
Est. Levy Rate per \$1,000 AV for 2026 Collections	1.26785
\$ Increase over 2025 Collections	460,677
% Increase over 2025 Collections	0.03839

Section 2. The amount set forth in section 1 is hereby levied upon all real and personal property in accordance with certified assessed values and completed tax rolls of the City of Tukwila for collection in 2026. That estimated property tax levy amount is intended:

- (a) to include 67.49712% of the City's 2026 highest lawful levy amount of \$18,459,905;
- (b) to include any additional amounts allowed under (i) the new construction, improvements to property and state-assed property provisions of RCW 84.55.010 and (ii) as provided pursuant to RCW 84.55.070, the refund provisions of Chapter 84.68 and 84.69 RCW, and

Upon certification of property values for 2026 collections, the Assessor shall adjust and finalize the levy rate per \$1,000 of Assessed Valuation to meet the revenues as provided in Sections 1 and 2.

Section 3. Any unused general property levy capacity for the 2026 tax year is reserved for future levy as provided by RCW 84.55.092, calculated in future years as though the maximum lawful levy amount allowed by state law had been levied.

Section 4. Corrections by City Clerk or Code Reviser Authorized. Upon approval of the City Attorney, the City Clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering.

Section 5. Severability. If any section, subsection, paragraph, sentence, clause or phrase of this ordinance or its application to any person or situation should be held to be invalid or unconstitutional for any reason by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this ordinance or its application to any other person or situation.

Section 6. Effective Date. This ordinance or a summary thereof shall be published in the official newspaper of the City and shall take effect and be in full force on January 1, 2026.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Regular Meeting thereof this _____ day of _____, 2025.

ATTEST/AUTHENTICATED:

Andy Youn-Barnett, CMC, City Clerk

Thomas McLeod, Mayor

APPROVED AS TO FORM BY:

Filed with the City Clerk: _____

Passed by the City Council: _____

Published: _____

Effective Date: _____

Ordinance Number: _____

Office of the City Attorney

DRAFT

**AN ORDINANCE OF THE CITY OF TUKWILA, WASHINGTON,
SETTING THE VOTER APPROVED EXCESS BOND LEVY
AMOUNT FOR BUDGET YEAR 2026 FOR THE PURPOSE OF
PAYING DEBT SERVICE ON THE CITY'S UNLIMITED TAX
GENERAL OBLIGATION BONDS ISSUED IN 2016 AND 2019 TO
IMPLEMENT THE CITY'S PUBLIC SAFETY PLAN, AS REQUIRED
BY LAW; PROVIDING FOR CORRECTIONS AND SEVERABILITY;
AND ESTABLISHING AN EFFECTIVE DATE.**

WHEREAS, on November 8, 2016, voters approved a \$77.385 million bond measure to implement the City's Public Safety Plan to include funding a Justice Center, rebuilding three (3) fire stations, and providing fire apparatus and life-safety equipment replacement; and

WHEREAS, the City, pursuant to the Bond Authorization and Ordinance No. 2514 adopted on November 21, 2016, authorized the issuance and sale of \$36,500,000 principal amount of the City's Unlimited Tax General Obligation Bonds, and pursuant to Ordinance No. 2610 adopted on July 15, 2019, authorized the issuance and sale of \$40,885,000 principal amount of the City's Unlimited Tax General Obligation Bonds, 2019 (collectively, the "Bonds"); and

WHEREAS, in 2016, the City issued debt in the amount of \$32,990,000 with final maturity in 2036, and in 2019, issued debt in the amount of \$37,770,000 with a final maturity in 2038; and

WHEREAS, the City has determined an excess property tax levy in the amount of \$5,059,475 must be levied in the year 2025 and collected in the year 2026 to provide the funds necessary to pay the debt service requirements on the Bonds in the year 2026; and

WHEREAS, on October 20, 2025, the Tukwila City Council, following adequate public notice, held a public hearing to consider the City of Tukwila Excess Bond levy for 2026 collections; and

WHEREAS, pursuant to RCW 84.52.070(2), the City is required to certify the amount to be raised by taxation on assessed valuation with the Clerk of the County legislative authority by November 30 each year;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, HEREBY ORDAINS AS FOLLOWS:

Section 1. Excess Tax Levy Authorized. A voter approved excess levy is authorized to be collected in 2026 to pay debt service on the City's Unlimited Tax General Obligation ("UTGO") Bonds. The levy for collections in 2026 is \$5,059,475, for debt service payments in 2026, as shown below:

2016 UTGO Bond Debt Service	\$2,737,925
2019 UTGO Bond Debt Service	<u>\$2,321,550</u>
Total Excess Levy	\$5,059,475

The excess levy is levied for the purpose of making debt service payments on the UTGO Bonds sold to finance costs related to implementation of the City's Public Safety Plan, as submitted to the qualified electors of the City at a special election held on November 8, 2016.

Section 2. Collection. This ordinance shall be certified to the proper County Officials, as provided by law, and taxes here levied shall be collected to pay to the Finance Director of the City of Tukwila at the time and in the manner provided by the laws of the State of Washington for the collection of taxes of non-chartered code cities.

Section 3. Corrections by City Clerk or Code Reviser Authorized. Upon approval of the City Attorney, the City Clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering.

Section 4. Severability. If any section, subsection, paragraph, sentence, clause or phrase of this ordinance or its application to any person or situation should be held to be invalid or unconstitutional for any reason by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this ordinance or its application to any other person or situation.

Section 5. Effective Date. This Ordinance or a summary thereof shall be published in the official newspaper of the City and shall take effect and be in full force and effect five days after passage and publication as provided by law.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Regular Meeting thereof this _____ day of _____, 2025.

[signature page to follow]

ATTEST/AUTHENTICATED:

Andy Youn-Barnett, CMC, City Clerk

Thomas McLeod, Mayor

APPROVED AS TO FORM BY:

Office of the City Attorney

Filed with the City Clerk: _____
Passed by the City Council: _____
Published: _____
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