

Resource Summary

This chapter illustrates the 2023-2024 budget resources primarily through the use of graphic presentations. Text describing the graphic presentations is included to highlight some of the key information presented.

This Resource Summary is organized into the following sections:

A. Total City Budget Resources

Figure 8a-1 presents the Adopted 2023-2024 resource budget for all City funds and contains a comparison to Amended 2021-2022 Budget resources. All comparisons in this section compare the 2023-2024 Adopted Budget to the 2021-2022 Amended Budget.

B. Summary of Locally Levied Taxes

Figure 4a-1 presents total City budget resources.

Figure 4a-2 presents the City and State of Washington revenue policies regarding the sales tax.

Figure 4a-3 presents historical sales tax data as well as revenue projections for the Adopted 2023-2024 budget.

Figure 4a-4 presents the City and state revenue policies regarding the business and occupations (B&O) Tax.

Figure 4a-5 presents historical B&O Tax data as well as revenue projections for the Adopted 2023-2024 budget.

Figure 4a-6 presents the City and state revenue policies regarding the property tax.

Figure 4a-7 presents historical property tax levy rates as well as projected levy rates for the Adopted 2023-2024 Budget.

Figure 4a-8 presents the City and state revenue policies regarding the Real Estate Excise Tax (REET).

Figure 4a-9 presents historical REET Tax data as well as revenue projections for the Adopted 2023-2024 Budget.

Figure 4a-10 presents the City and state revenue policies regarding Utility Taxes.

Figure 4a-11 presents the City and state revenue policies regarding the Motor Vehicle Fuel Tax.



Resource Summary

Figure 4a-12(A) presents a city comparison of 2022 property tax rates in State of Washington.

Figure 4a-12(B) presents a city comparison of 2022 B&O tax rates in State of Washington.

Figure 4a-13 presents typical distribution of property tax dollars.

Figure 4a-11 presents historical property value and tax levy information.

C. Tax Rate Information

Figures 8a-12a and 8a-12b compare Bellevue property tax and average utilities rates to other local jurisdictions.

Figure 8a-13 displays historical property tax information for comparison purposes. Official property tax records are maintained by the King County Assessor's Office.

Figure 8a-14 displays a typical distribution of property tax dollars for Bellevue taxpayers, as well as an estimate of property tax bills for Bellevue homeowners.

NOTE: This section compares the Adopted 2023-2024 Budget to the Amended 2021-2022 Budget.

Resource Summary

A. Total City Budget Resources

Figure 4a-1 presents the 2023-2024 resource budget for all city funds and contains a comparison to amended 2021-2022 resources. All comparisons in this section compare the 2023-2024 Adopted Budget to the 2021-2022 Amended Budget.

The City has many revenue sources across all funds, from general government to enterprise funds. Generally, revenue remains consistent with the largest fluctuation happening in the most economically driven revenue streams of Sales and Use Tax and Business and Occupation Tax due to COVID-19 impacts.

Many of the resources received are dedicated to a specific purpose and cannot be spent on non-related services or programs. For example, rate revenues received from water service can only be used for that purpose and cannot be used to pay for general services or other types of utility services.

Several revenue streams are restricted, including but not limited to Development Services permits revenue, Property Tax revenue received from the voter-approved Parks Levy, Fire Facilities Levy and Neighborhood Safety, Connectivity and Congestions Levy, and revenue generated by utility rates. As noted in the chart 4a-1, taxes make up 28.1 percent of the total 2023-2024 Adopted Budget. The remaining 71.9 percent is a collection of beginning fund balance, utility rates, and other sources.

Sales tax is the most volatile revenue stream for the City and comprises 9.9 percent of total resources. In prosperous economic times sales tax growth is quite strong; in 2007 sales tax grew 16.6 percent with construction leading the way. In poor economic times, sales tax may drop precipitously as illustrated in 2009 during the Great Recession. Sales tax has been on the rise in the last few years before COVID (on average 5 percent growth annually) yet had substantial loss in 2020 with an 11 percent decline from 2019 due to COVID.

Property Tax makes up 6.1 percent of the City's total resources which can be seen in Figure 4a-1. One percent of Property Tax is utilized from the banked capacity in 2023 to cover the additional services. This budget incorporated a 2 percent adjustment of Property Tax in 2023 and a 1 percent adjustment in 2024. The total estimated property tax levy rate is \$0.76 per \$1000 Assessed Value (AV) in 2023 and 2024. Estimated 2023 and 2024 levy rates include voter-approved Parks, Fire Facilities, and Neighborhood Congestion, Safety, and Connectivity levies.

Business & Occupation Tax is 6.1 percent of the City's resources and performs similar to sales tax but the tax base is somewhat more expansive giving it slightly more stability than sales tax. Unlike sales tax, B&O tax is based on gross receipts for retail sales or calculated by square footage for those companies that do not necessarily have gross receipts but perform other activities such as management activities of headquarters. Without penalty

Resource Summary

audit revenue, the B&O tax collection had a 12 percent decline from 2019 to 2020 due to COVID-19 but fully recovered with growth by 2021. B&O tax collections are forecasted to grow by 14 percent in 2023 with the rate adjustment and 6 percent in 2024.

Utility Taxes include electric, natural gas, water, sewer, storm drainage, garbage, and telephone utility activity. City-run utilities such as water, sewer and storm drainage, have grown consistently from year to year and were only minimally affected by the recession. Electric and Gas tax has increased due to rates and usage increases. Telephone and cell phone services have been going through systemic changes that have resulted in declining collections and are expected to decline further. Increasingly people are discontinuing landline telephones services and data plan on cell phone bills are exempt from tax, resulting in reduced cell phone tax collections.

Other taxes include hotel/motel, Real Estate Excise Tax (REET), Criminal Justice Sales, Admissions, Gambling, and Leasehold Excise Taxes, as well as tax penalties. Hotel/motel tax collections were heavily impacted by COVID-19 and are forecasted to recover through 2024. The City has an abundance of large buildings in the downtown area, as well as in Eastgate. When these buildings sell, they contribute significant REET dollars to the City. COVID-19 was expected to impact REET collections, as initially commercial construction and real estate contracted. However, the demand rebounded and REET collections grew by over 39 percent in 2021 compared to the 2019 levels. This peak in REET collections was largely driven by low interest rates and boosted by stimulus money in the wake of the pandemic. That pandemic demand has exhausted itself, and interest rates are increasing, so there are decreased projections for REET collections. The Criminal Justice Sales tax collections recovered above the pre-pandemic level with the King County sales tax collections. Other tax collections like Admissions, Gambling are still below the pre-pandemic level.

Utility Service Fees are the third-largest category of resources making up 16.8 percent of total City resources. Utility Service Fees can only be used to support the specific utility for it was collected. As an example, water service fees cannot be used to support sewer operations. This revenue category is made up of water, sewer, and storm and surface water service fees. These revenues are projected to grow by \$54 million over the 2023-2024 biennium, primarily attributable to utility rates increases across water, sewer, and storm drainage. More information is provided in 2023-2029 Utilities Forecast.

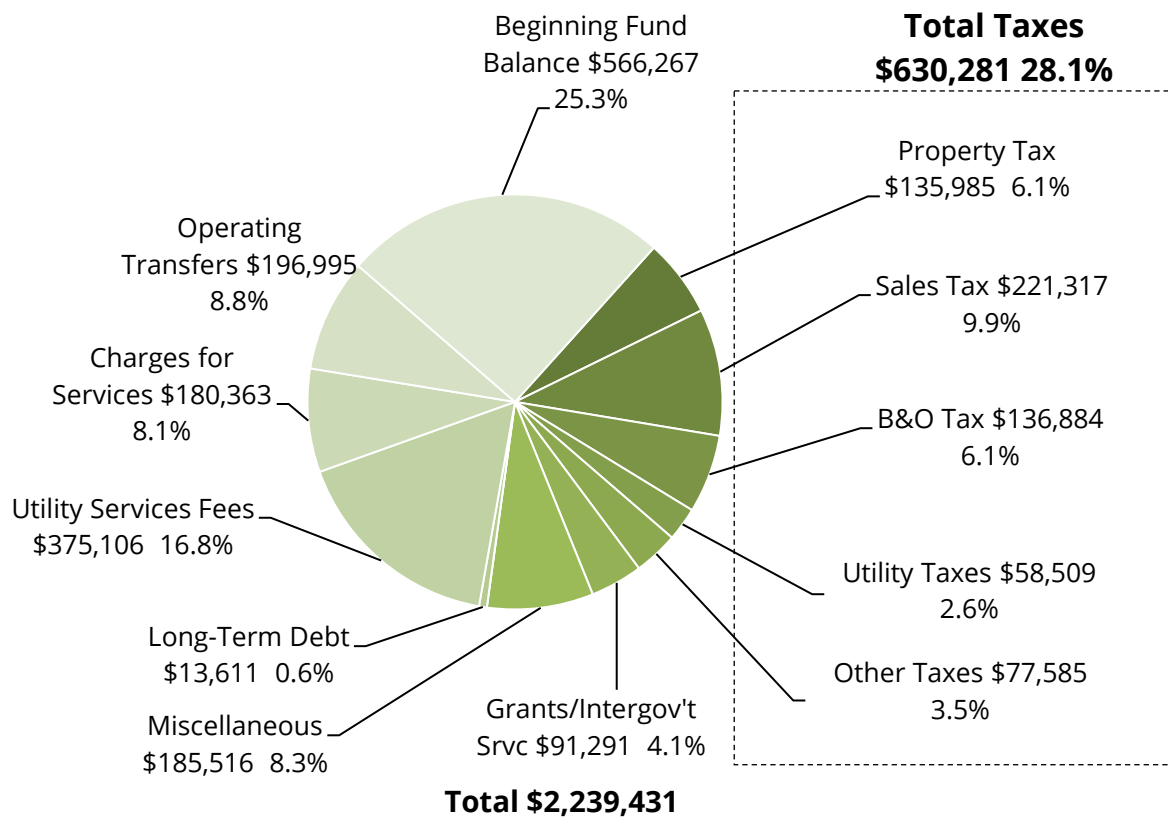
Beginning Fund Balance (BFB) is the second-largest category of resources at \$566 million or 25.3 percent of total City resources. The General Fund's 2023 beginning fund balance is \$59.2 million or 10.5 percent of total Beginning Fund Balance. The other two major funds are Enterprise Fund and Capital Investment Funds, which contribute \$90.9 million or 16 percent and \$319,097 million or 56.3 percent of total Beginning Fund Balance respectively. Similar to other resources, fund balance often is restricted to fund only certain types of expenses. As an example, the Sewer Utility fund balance can only be used to fund expenses that support the Sewer Utility. Conversely, the General Fund balance can be used for any purpose.

Resource Summary

Operating Transfers, \$196.9 million or 8.8 percent of total resources, are anticipated to increase by \$37 million or 23.2 percent from 2021-2022 to 2023-2024. Operating Transfers are a transfer between funds. An example of an operating transfer would be a transfer from an operating fund to a capital fund to support future or present capital projects. Another example is a transfer from a capital fund to an operating fund when an operating fund FTE works on a capital project.

The components of Intergovernmental Revenues include but are not limited to Federal and State Grants, Interlocal Contributions including Sound Transit contributions, King County contributions, and Point Communities contributions, and revenue from rents and leases.

Figure 4a-1
2023-2024 Total City Budget Resources
\$000





Resource Summary

Comparison to 2021-2022 Budget

	2021-2022 Amended Budget	2023-2024 Adopted Budget	\$ Change	% Change
Taxes				
Sales Tax	\$163,757	\$221,317	\$57,560	35.1%
Property Tax	126,406	135,985	9,579	7.6%
Business & Occupation Tax	98,501	136,884	38,384	39.0%
Utility Taxes	54,992	58,509	3,517	6.4%
Other Taxes	62,532	77,585	15,054	24.1%
Total Taxes	\$506,188	\$630,281	\$124,093	24.5%
Beginning Fund Balance	\$360,806	\$566,267	\$205,461	56.9%
Utility Services Fees	321,248	375,106	53,858	16.8%
Miscellaneous	296,543	185,516	(111,027)	(37.4%)
Short-Term Debt	17,497	0	(17,497)	(100.0%)
Long-Term Debt*	0	13,611	13,611	100.0%
Charges for Services	150,243	180,363	30,120	20.0%
Operating Transfers	159,926	196,995	37,069	23.2%
Grants/Intergovernmental Services	127,813	91,291	(36,522)	(28.6%)
Total Resources	\$1,940,264	\$2,239,431	\$299,166	15.4%

Figures may not foot due to rounding.

*2021-2022 budget contains a technical correction which shows TIFIA as a long-term debt.

B. Summary of Locally Levied Taxes

1. Sales Tax (RCW 82.14.030)

Sales tax is imposed on the sale of most goods and some services. This tax is remitted to the State by businesses and in turn, the State provides the City with a portion of this revenue monthly. The total sales tax rate is 10.1 percent in Bellevue and the City receives 0.95 percent of this rate with 0.1 percent of the rate dedicated to affordable housing.

Growth in sales tax revenue is driven by growth in sales at retail outlets, direct expenditures by households and businesses, and development activity. Sales tax revenue support activities of the General Fund, General CIP Fund and Housing Fund. The current method for splitting the sales tax between the General Fund and the General CIP fund is for the General Fund to equal 75 percent plus incremental increases in operations and maintenance minus the bond payment for \$10 million CIP debt. The current policy for the General Fund and the CIP Fund is:

Proposals for CIP project funding shall include the estimated future M&O cost, to provide full cost disclosure. Such M&O costs anticipated to be incurred in the upcoming biennium should be included in operating budget proposals for funding consideration. As of 2011, funding for existing CIP M&O is provided by a distribution of the City's sales tax revenue, split



Resource Summary

between 75 percent General Fund and 25 percent CIP. The dollar amount for CIP M&O is adjusted upward each year by the anticipated Consumer Price Index for all Urban Consumers (CPI-U) after first making any necessary adjustments (e.g., partial vs full-year costs) and eliminating any one-time items. The distribution amounts should be reviewed periodically by Council for reasonableness and potential adjustment.

(Source: City's Comprehensive Financial Policies)

With the issuance of \$79.1 million in debt in 2015, of which \$10 million allows the city to redirect sales tax to address infrastructure and neighborhood needs, the current sales tax split and the source of splitting methodology is shown below:

Resource Summary

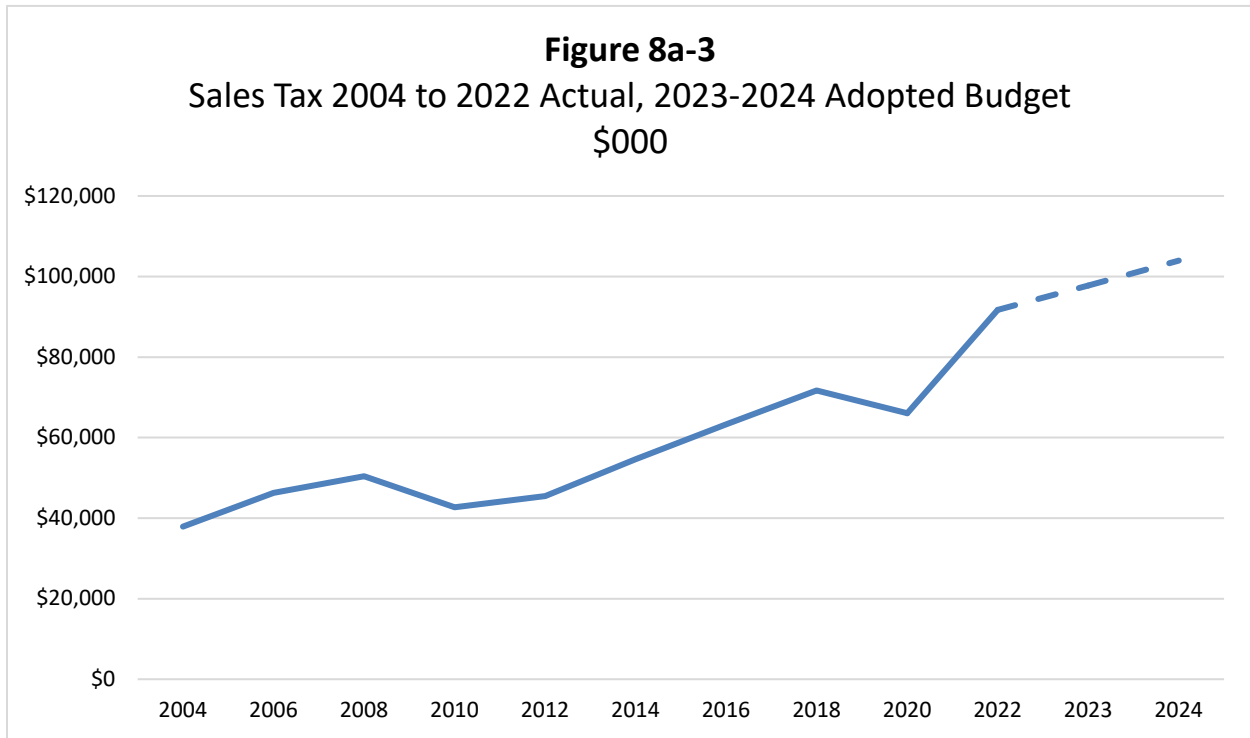
Figure 4a-2

Revenue Stream	Source: RCW; Financial Policy; Ordinance; Guiding Practice	Calculation of where each tax is split to
Sales Tax	<p>RCW 82.14 – establishes sales tax authority for cities.</p> <p>Financial Policy XI.H: splits 75% to the General Fund for CIP M&O plus 25% to the CIP; each year post-2011 the General Fund portion is increased by CPI.</p> <p>2015 Budget Umbrella Ordinance 6209 dated December 14, 2014: Adopted as part of the budget a 2% property tax increase, which allowed for \$694,000 of sales tax to be redirected to the CIP to cover debt service for the 2015 bonds.</p> <p>Housing Trust Fund has been a transfer from sales tax since 1991.</p>	<p>Sales tax Split Calculation:</p> <p>Total Sales Received by the City Less \$100,000 to the Housing Trust Fund Less \$694,000 to the CIP for 2015 Debt Service</p> <p>Subtotal of sales tax to be split between GF/CIP 75% to General Fund (adjusted by CPI from 2011 on) Remainder to CIP (approximately 25%)</p>

Historical Collections & Trends

Sales tax collections grew significantly from 2003 to 2007, primarily due to increases in development activity and consumer spending (retail and services sectors growth). Sales tax collections for 2008 and 2009 reflect the decline in development and taxable retail activity experienced during the recession. Before COVID-19, sales tax collections had moderate and steady growth. With the stay-at-home measures that came to mitigate the public health crisis when COVID-19 arose in 2020 sales tax collections were hit hard, decreasing by almost 11 percent compared to 2019 collections. Once the safety measures were lifted in 2021 there was an almost 25 percent increase in collections compared to 2020, which brought the sales tax above the pre-pandemic level. This is in part driven by the inflation which really grasped the economy since mid-2021. Considering the pressure that inflation is applying to general consumers, it is expected that the average shopper will begin to moderate their purchases to maintain their personal budgets. As a result, sales tax collections are expected to moderate in the outyears rather than continue a trend started by 2021's unprecedented figures.

Resource Summary



Maximum Rate:	1.0 percent*
Current Rate:	1.0 percent*
2023 Estimate:	
General Fund	\$72,936,760
General CIP Fund	24,126,116
Housing Fund	<u>100,000</u>
Total 2023 Sales Tax	\$97,856,465
2024 Estimate:	
General Fund	\$77,594,553
General CIP Fund	\$25,657,380
Housing Fund	<u>100,000</u>
Total 2024 Sales Tax	\$104,045,522

* 15 percent of the sales tax revenue produced by the city's 1 percent is allocated to the county. The city retains the remaining 0.85 percent in addition to the 0.1 percent for affordable housing.

Comments/Watch Areas

Before COVID-19, overall sales tax has been on a steady growth. One area that has always been a concern is development or construction, which has historically been a large

Resource Summary

component of the City's sales tax collections. Since it is such a large component of sales tax it leaves it at risk due to how much development is influenced by economic conditions. As has happened in the past when a recession hits, construction will drop dramatically and has dropped as much as 33 percent from its peak during the Great Recession.

A key industry affected by a perfect storm of both was auto sales, with the semiconductor shortage affecting supply and pent-up demand unleashing on the market at the same time leading to over a 75 percent increase in new car purchases in Bellevue in April 2021 from the same period in 2020 and at the same time an over 200 percent increase in used car purchases. The inflated prices will be persistent until the supply and demand restore a better balance.

2. Business & Occupation (B&O) Tax (*RCW 35.21.710, RCW 35.21.706, RCW 35.21.711*)

Business and Occupation (B&O) Tax is made up of two components: gross receipts tax and square footage tax. The gross receipts B&O Tax is primarily measured on gross proceeds of sales or gross income. The square footage B&O tax applies to businesses whose in-city activities produce gross revenue indirectly, such as at headquarter locations. Businesses with taxable gross receipts for a business less than \$180,000 or offices with less than 250 taxable square feet are exempt from B&O Tax, but they still must file a return. The City levies the same rate for all types of business activities. The 2023 gross receipt B&O Tax rate is 0.1596 percent of receipts/income including the prior rate of 0.1496 percent and 0.01 percent rate adjustment. The quarterly square footage rate is \$0.2789046 per square foot in 2022. B&O revenues support General Fund and the Capital Investment Program (CIP) Fund activities, information concerning both state and city policies concerning the B&O Tax are found in the table provided below:

¹ [RCW 35.21.706](#): Referendum procedure. An ordinance that imposes the tax or increases the tax rate must include a provision for a referendum procedure.

[RCW 35.21.710](#): Maximum B&O tax rates established.

[RCW 35.21.711](#): Voter approval for higher rates.

Resource Summary

**Figure 4a-4
City and State Revenue Polices: B&O Tax**

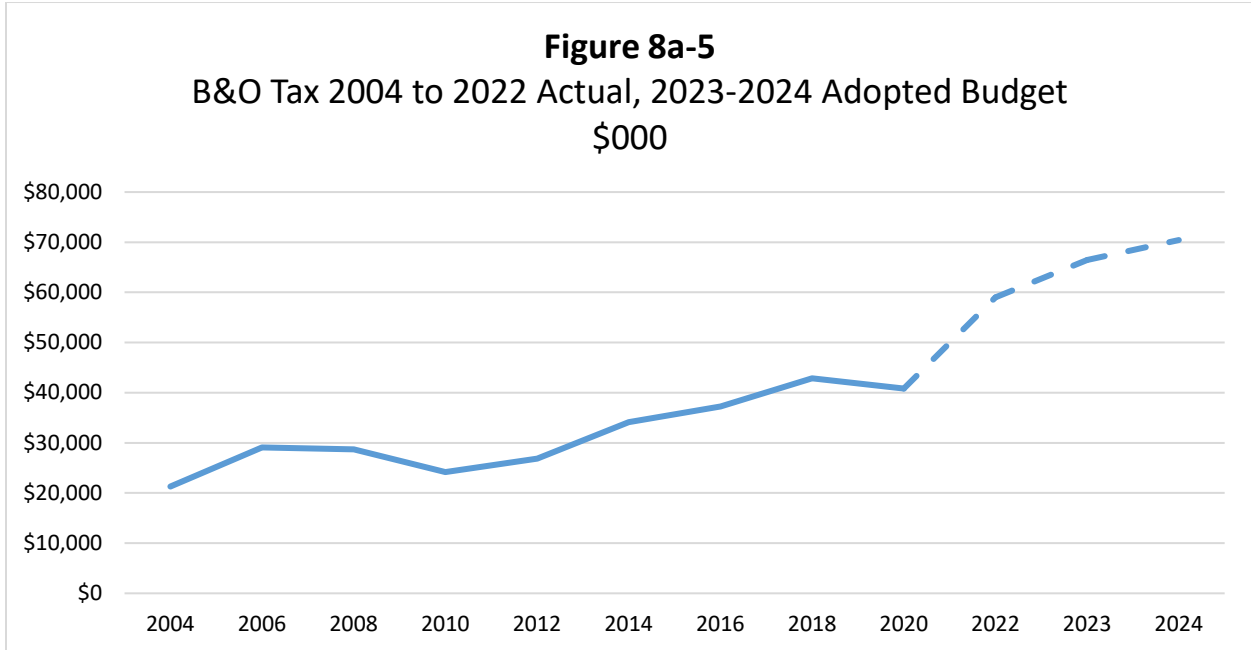
Revenue Stream	Source: RCW; Financial Policy; Ordinance; Guiding Practice	Calculation of where each tax is split to												
Business and Occupation Tax	<p>RCW: 35.21.710 establishes B&O tax authority for cities with a cap rate of 0.2%.</p> <p>Ord. 3740 dated December 15, 1986 - Repealed all previous B&O tax ordinances and set the tax rate at 0.013% of gross receipts, specifies B&O taxes may be allocated to projects or programs designated by City Council through the budget process. Budget 1987 split the 0.13% rate; 0.10% to GF, and 0.03% to CIP.</p> <p>Ord. 4047 dated September 5, 1989 -Tax rate increased to 0.1496%</p> <p>Ord. 4103 dated December 18, 1989 - Allocates Increased tax increment from Ord. 4047 of 0.0196% to Traffic Ordinance Operations Fund.</p> <p>Ord. 4907 dated September 3, 1996 - Eliminates Traffic Ordinance Operating Fund and transferred in part to General Fund and in part to General CIP fund. Budget 1997 split this 50/50 between CIP/GF.</p> <p>Ord. 5436 dated February 18, 2002 repeals BCC Section 4.08 and replaces it with 4.09, bringing Bellevue Code in line with other municipalities that charge a B&O tax. (There was no rate change, and past split practices were not changed.)</p>	<p>B&O Tax Split Calculation:</p> <p>Total B&O Tax is splits based on rate allocations:</p> <table border="1" data-bbox="977 604 1419 932"> <thead> <tr> <th></th> <th>GF</th> <th>CIP</th> </tr> </thead> <tbody> <tr> <td>Ord 3740 & Budget 1987</td> <td>0.100%</td> <td>0.0300%</td> </tr> <tr> <td>Ord 4907 & Budget 1997</td> <td>0.0098%</td> <td>*0.0098%</td> </tr> <tr> <td></td> <td>0.1098%</td> <td>0.0398%</td> </tr> </tbody> </table> <p>*dedicated to transportation.</p> <p>Using the calculations noted, the Final split calculated based on the rate is:</p> <p>Total B&O rate: 0.1496% General Fund rate: 0.1098%: (73%) Unrestricted CIP rate: 0.0300%: (21%) Transportation Only CIP rate: 0.0098%: (6%)</p>		GF	CIP	Ord 3740 & Budget 1987	0.100%	0.0300%	Ord 4907 & Budget 1997	0.0098%	*0.0098%		0.1098%	0.0398%
	GF	CIP												
Ord 3740 & Budget 1987	0.100%	0.0300%												
Ord 4907 & Budget 1997	0.0098%	*0.0098%												
	0.1098%	0.0398%												

Historical Collections & Trends

Following a similar pattern to sales tax, B&O Tax collections grew considerably from 2003-2007, reflecting a strong economy. The recession slowed collections in 2008 and 2009. B&O collections hit bottom in 2010 and since has grown at a slow and steady pace. In 2020, as expected, there was a loss in B&O tax collection (less audit) with 2020 figures over 10 percent lower than those collected in 2019. However, collections rebounded by almost 27 percent in 2021 compared to 2020, and grew to be higher than the 2019 pre-pandemic

Resource Summary

levels. This tremendous growth in collections in 2021 is not expected to establish a trend of higher collections, and the forecast anticipates collections to grow at more moderate pace moving forward.



Maximum Rate: 0.2 percent

Current Rate: 0.1596 percent

2023 Estimate:

General Fund	\$45,154,867
General CIP Fund	13,676,917
Mobility CIP Fund	<u>4,124,116</u>
Total 2023 Business & Occupation Tax	\$62,955,900

2024 Estimate:

General Fund	\$48,004,255
General CIP Fund	\$14,539,965
Mobility CIP Fund	<u>\$4,384,359</u>
Total 2024 Business & Occupation Tax	\$66,928,580

A majority of voters may approve a rate in excess of 0.2 percent. Each 0.01 percent of the business and occupation tax rate is expected to generate \$3.5 million in 2023 and \$3.7 million in 2024 of B&O Tax revenue, based on each year's current budgeted tax base (RCW 35.21.711: Voter approval for higher rates).

Resource Summary

Note: The City Council reserved from its levied capacity a rate of 0.0001 for convention center purposes per Ord. 4094.

Comments/Watch Areas

The COVID-19 crisis had an impact on B&O tax collections which differs by sectors, like the sales tax collections. And like sales taxes, the recovery of B&O taxes are highly uncertain. However, an additional nuance to B&O tax revenues are partly dependent on the size of the office. With the rise of work-from-home post-pandemic some companies are reconsidering their space needs and opting to downsize or not renew when leases are up for negotiation. There is still thriving demand for Bellevue as a seat of business despite this uncertainty.

3. Property Tax

(RCW 84.52.010, RCW 84.52.043, RCW 41.16.060, RCW 84.55.010, RCW 84.55.092)

Property Tax is applied to the assessed value (AV) of all taxable real and personal property located within the city, with several exceptions such as public structures (government buildings, roads, etc.), property owned by several types of non-profit organizations, personal property (up to a specified dollar value), and others.

Real property includes land, buildings, and improvements to the land such as driveways. Personal property includes movable assets used in conducting a business such as machinery, supplies, and other non-inventory items. Washington State has a budget-based system of property taxation. There are three main components to the property tax: Levy, Assessed value (AV), and Levy Rate. As part of the budget process, the taxing jurisdiction establishes the amount of property tax revenue needed to fund the budget. The amount needed to fund the budget is called the levy. It is the total amount to be collected from the taxpayers by a taxing district. By November 30 of each year, the amount of taxes to be levied by taxing districts are certified to the county assessor who computes the levy rate necessary to raise that amount of revenue. The County Assessor calculates the Levy Rate necessary by dividing the total Levy amount by the assessed value of taxable property in the district. By law, this number is expressed in terms of a dollar rate per \$1,000 of valuation. For example, a rate of \$0.00025 is expressed as 25¢ per \$1,000 of assessed value. The formula for property tax collections is expressed as:

Levy = Levy Rate X Assessed Value (AV). The Property Tax Levy is constrained by the overall limits on the regular levy rate and the limit on annual levy increases (Source: MSRC: Property Tax in Washington State).

Property Tax revenues support General Fund activities as well as the Human Services Fund, which accounts for human services activities, including agency contracts. Information

Resource Summary

concerning both state and city policies concerning the Property Tax is found in the table provided below:

**Figure 4a-6
City and State Revenue Policies: Property Tax**

Revenue Stream	Source: RCW; Financial Policy; Ordinance; Guiding Practice	Calculation of where each tax is split to
Property Tax	RCW 84.52; 84.55: establishes property tax authority for cities.	General Fund: 100% of General Property Tax CIP: 100% of all Voted Levies (per ballot language)

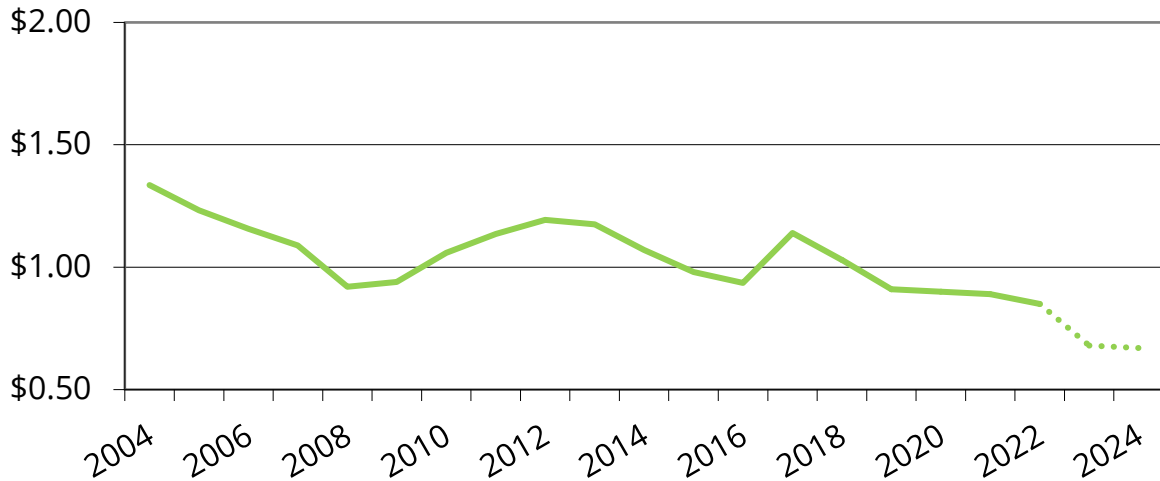
Historical Collections & Trends

Under Initiative 747, the regular Levy can grow at a maximum of 1 percent annually or the rate of “inflation” (defined as the increase in the implicit price deflator (IPD), whichever is less, plus additions for new construction, changes in the value of state-assessed utility property and newly annexed property (referred to as “add-ons”). For many of the past 15 years, Bellevue has opted to only levy the additional Property Tax associated with add-ons, but has preserved, or “banked” its remaining allowable levy capacity (maximum allowable levy less actual levy). In 2023, the City utilizes 1 percent of Property Tax from the banked capacity to cover additional service costs. Bellevue has an estimated \$8.3 million in banked capacity available. This budget incorporates a 2 percent adjustment of Property Tax in 2023 and 1 percent adjustment in 2024.

As displayed in the following chart, Bellevue’s Property Tax Levy Rate decreased from \$1.34 in 2004 and to \$0.84 in 2022 per \$1,000 AV.

Resource Summary

**Figure 4a-7
Total Property Tax Levy Rate
2004 to 2022 Actual, 2023-2024 Adopted Budget**



Maximum Rate: \$3.53/\$1,000 AV

2023 Estimated Levy Rate:
 Regular Levy Rate: \$0.47/\$1,000 AV
 Voted Levy Rate: \$0.21/\$1,000 AV
 Total Estimated 2023 Levy Rate \$0.68/\$1,000 AV

2023 Estimated Levy:
 General Fund \$42,287,295
 Human Services Fund 4,471,599
 Parks M&O Fund 660,000
 CIP Fund 19,634,179
 Total Estimated 2023 Property Tax Levy \$67,053,073

2024 Estimated Levy Rate:
 Regular Levy Rate: \$0.47/\$1,000 AV
 Voted Levy Rate: \$0.20/\$1,000 AV
 Total 2022 Estimated Levy Rate \$0.67/\$1,000 AV

2024 Estimated Levy:
 General Fund \$43,498,739



Resource Summary

Human Services Fund	4,683,419
Parks M&O Fund	660,000
CIP Fund	<u>20,089,755</u>
Total 2024 Estimated Property Tax Levy	\$68,931,913

Current law limits the Property Tax increase from the prior highest allowable Regular Levy to the lesser of 101 percent or 100 percent plus inflation, where inflation is measured by the percentage change in the Implicit Price Deflator (IPD) (whichever is less) (RCW 84.55.0101). It is often the case that the IPD is higher than the limit factor making the default allowable increase 101% of the prior year's Levy plus new construction.

The Estimated 2023 Regular Levy AV is at \$88.7 billion which is an increase of \$11.7 billion (15 percent) from the 2022 AV. Based on the Estimated 2023 AV of \$88.7 billion and the Estimated 2024 AV of \$91.6 billion, each additional \$0.01 per \$1,000 assessed value (AV) of the Regular Property Tax Levy Rate generates \$887,000 in 2023 and \$916,000 in 2024 in Property Tax revenue. It should be noted that due to the high increase in AV the Levy Rate is estimated to decrease.

Parks and Open Space Levy Lid Lift was authorized by the voters in the November 2008 election to provide capital funding over the next 20 years (\$3,389,000 annually) and ongoing maintenance and operations funding (\$660,000 annually). This Levy Lid Lift increased the 2023 Property Tax levy rate by \$0.05 per \$1,000 of assessed value. Bellevue voters approved of a new Parks Levy in November 2022 that is not included in this budget book due to election certification results occurring after budget adoption. This levy will be part of the City's mid-biennium budget update occurring in November 2023.

In November 2016, the voted Fire Facilities Levy and Neighborhood Safety, Connectivity and Congestions Levy were passed to fund CIP projects. The Fire Facilities Levy increased the 2023 Property Tax Levy Rate by \$0.08 per \$1,000 of assessed value, and the Neighborhood Safety, Connectivity and Congestions Levy increased the 2024 Property Tax Levy Rate by \$0.10 per \$1,000 of assessed value.

4. Real Estate Excise Tax (REET) (RCW 82.46.010 RCW 82.46.035²)

The Real Estate Excise Tax (REET) is levied on all sales of real estate. The rate is 0.5 percent of the selling price of the property. The first 0.25 percent of local REET must be used to fund capital facilities expenditures that have been identified in the City's comprehensive

² RCW 82.46.010 authorizes all cities and counties to levy a 0.25% tax, described as "the first quarter percent of the real estate excise tax" or "REET 1" on all sales of real estate.

RCW 82.46.035 allows all cities and counties that are planning under the Growth Management Act (GMA) to have the authority to levy a second 0.25% tax (REET 2), on all sales of real estate.

Resource Summary

plan. The second 0.25 percent of local REET revenues must also be used to fund capital facilities, with the added stipulation that they cannot be used for the acquisition of land for parks. REET revenues are cyclical and are largely impacted by the number of big real estate transactions. The City Council has adopted an ordinance allocating the first 0.25 percent to Parks Capital Projects and the second 0.25 percent to Transportation Capital Projects. Information concerning both state and City policies concerning the REET is found in the table provided below:

**Figure 4a-8
City and State Revenue Polices: REET**

Revenue Stream	Source: RCW; Financial Policy; Ordinance; Guiding Practice	Calculation of where each tax is split to
Real Estate Excise Tax (REET)	RCW 82.46 – established REET authority for cities. Ordinance 3213 dated December 13, 1982, directed 0.25% of sales price to transportation (REET1); Ordinance 4366 dated June 1, 1992, directed the second 0.25% to community development (REET2). Ordinance 4549 dated July 19, 1993, adopted the 1993-1999 CIP which re-directed REET 2 from community development to transportation and redirected REET 1 to parks.	CIP: 100% of the 0.5% REET rate is spent on capital in the CIP. Split 50% (or 0.25% tax) to Transportation (REET 2), and 50% (or 0.25% tax) to Parks (REET1).

Historical Collections & Trends

Real Estate Excise Tax collections increased an annual average of 21 percent per year between 2001 and 2006. Collections increased 94.3 percent in 2007, fueled by the sale of the portfolio of a major landholder in Bellevue.

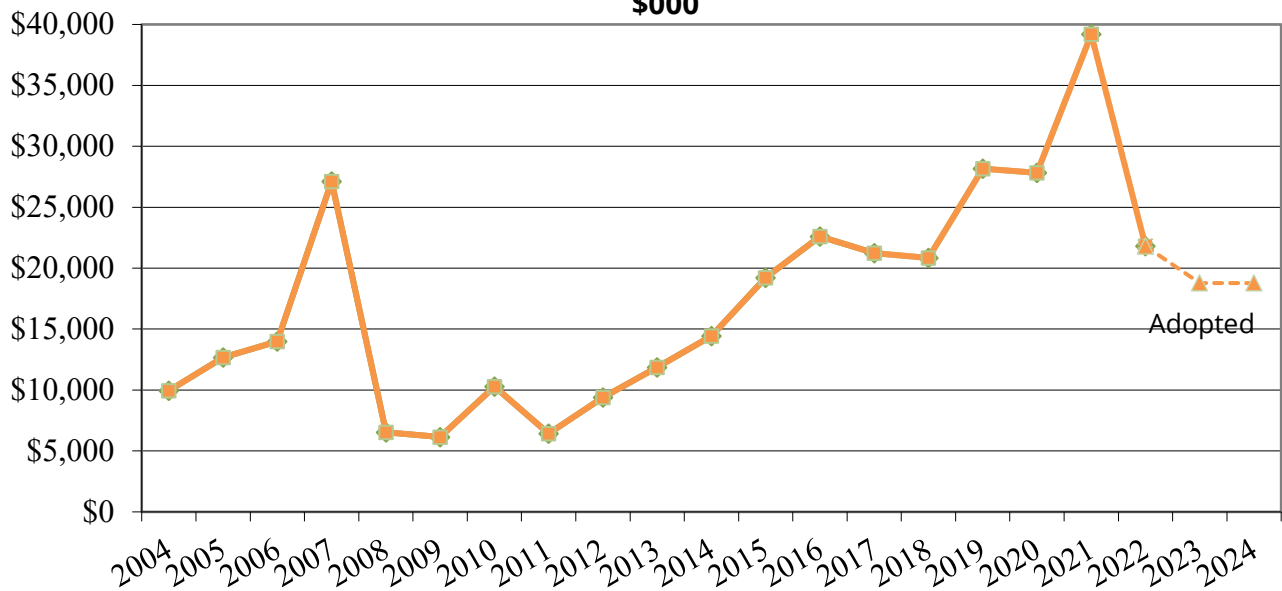
In 2019 large transactions rushed to close by the end of December to avoid the higher REET tax rate for property transactions over \$1.5 million effective January 2020 authorized by new state legislation, resulting in a 35 percent increase in 2019 REET collection comparing to the prior year.

Resource Summary

The Real Estate Excise Tax has been strong in recent years as real estate companies took advantage of low-interest rates. While other areas of tax revenue were hard hit in 2020, REET collections only diminished by 1.2 percent compared to 2019 levels. As rebound demand exploded in 2021 the REET collections grew by almost 41 percent compared to 2020 levels.

These large collection numbers are anticipated to decrease in the coming years as the FED raises interest rates which affects the mortgage rates people get when they purchase their home. Already 2022 is seeing prices begin to moderate as an increase number of buyers back out of deals and it is no longer such a strong seller's market. Additionally, large commercial transactions will likely decline in the coming years due to the anticipated contraction in commercial real estate transactions.

Figure 8a-9
Real Estate Excise 2004 to 2022 Actual, 2023-2024 Adopted Budget
\$000



Maximum Rate:	0.5 percent
Current Rate:	0.5 percent
2023 Estimate:	\$18,776,000
2024 Estimate:	\$18,776,000

Revenue proceeds are received to the General Capital Investment Program Fund to support capital projects.

Resource Summary

Watch Areas

REET has been strong for the last few years as real estate companies rebalance their portfolios taking advantage of low-interest rates and a rebound in demand for housing. However, it is projected that REET transactions will slow down in future years, which is consistent with King County's July 2022 forecast. Since the FED began raising interest rates the mortgage rates have risen which has buyers reconsidering committing to buying property. With construction moderating moving forward as several big projects near completion and interest rates dampening demand it is unlikely that the outyears will be as volatile as the recent past, but Bellevue remains an attractive location and REET collections will continue to be a main revenue stream.

5. Utility Tax

Bellevue levies a tax on the gross income derived from sales of utility services provided in the City. Services include electricity, gas, water, sewer, storm drainage, garbage, telephone, and cellular phone. The revenues generated by these taxes support general city operations. Information concerning both state and city policies concerning the Utility Tax is found in the table provided below:

**Figure 4a-10
City and State Revenue Polices: Utility Taxes**

Revenue Stream	Source: RCW; Financial Policy; Ordinance; Guiding Practice	Calculation of where each tax is split to																														
Utility Taxes	RCW 35.21.870: established Utility Tax authority for cities. <table border="1" data-bbox="367 1285 954 1852"> <thead> <tr> <th>Type</th> <th>Current Rate</th> <th>Max. Rate</th> </tr> </thead> <tbody> <tr> <td>Electric</td> <td>5%</td> <td>6%</td> </tr> <tr> <td>Gas</td> <td>5%</td> <td>6%</td> </tr> <tr> <td>Telephone</td> <td>6%</td> <td>6%</td> </tr> <tr> <td>Cellular</td> <td>6%</td> <td>6%</td> </tr> <tr> <td>Water</td> <td>10.4%</td> <td>No Max.</td> </tr> <tr> <td>Sewer</td> <td>5%</td> <td>No Max.</td> </tr> <tr> <td>Storm</td> <td>5%</td> <td>No Max.</td> </tr> <tr> <td>Garbage</td> <td>4.5%</td> <td>No Max.</td> </tr> <tr> <td>Cable Franchise Fee</td> <td>4.8%</td> <td>5%</td> </tr> </tbody> </table>	Type	Current Rate	Max. Rate	Electric	5%	6%	Gas	5%	6%	Telephone	6%	6%	Cellular	6%	6%	Water	10.4%	No Max.	Sewer	5%	No Max.	Storm	5%	No Max.	Garbage	4.5%	No Max.	Cable Franchise Fee	4.8%	5%	100% General Fund.
Type	Current Rate	Max. Rate																														
Electric	5%	6%																														
Gas	5%	6%																														
Telephone	6%	6%																														
Cellular	6%	6%																														
Water	10.4%	No Max.																														
Sewer	5%	No Max.																														
Storm	5%	No Max.																														
Garbage	4.5%	No Max.																														
Cable Franchise Fee	4.8%	5%																														

Resource Summary

Electric Utility Tax (RCW 35.21.870³)

Maximum Rate:	6.0 percent
Current Rate:	5.0 percent
2023 Estimate:	\$8,670,018
2024 Estimate:	\$8,829,029

A majority of the voters may approve a rate in excess of 6 percent. Each 0.1 percent of the electric utility tax rate generates roughly \$173,400 in 2023 and \$176,580 in 2024 of Electric Utility Tax revenue.

Gas Utility Tax (RCW 35.21.870)

Maximum Rate:	6.0 percent
Current Rate:	5.0 percent
2023 Estimate:	\$2,487,266
2024 Estimate:	\$2,542,565

Each 0.1 percent of the Gas Utility Tax rate generates approximately \$49,745 in 2023 and \$50,851 in 2024 of Gas Utility Tax revenue.

Water Utility Tax

Maximum Rate:	None
Current Rate:	10.4 percent*
General Fund	5.0 percent
Water Utility Fund	5.4 percent

* Due to an interfund accounting adjustment in how fire capacity charges were handled within the Utilities Funds and General Fund.

2023 Estimate:	
General Fund	\$3,078,397

³ RCW 35.21.870 Electricity, telephone, natural gas, or steam energy business—Tax limited to six percent. Cities may impose a higher rate with voter approval (majority vote).



Resource Summary

Water Utility Fund	<u>3,324,669</u>
Total Estimated 2023 Water Utility Tax	\$6,403,067
2024 Estimate:	
General Fund	\$3,258,411
Water Utility Fund	<u>3,519,083</u>
Total Estimated 2024 Water Utility Tax	\$6,777,495

Each 0.1 percent of the Water Utility tax rate generates approximately \$61,567 in 2023 and \$65,168 in 2024 of Water Utility tax revenue.

Sewer Utility Tax

Maximum Rate:	None
Current Rate:	5.0 percent
2023 Estimate:	\$3,559,417
2024 Estimate:	\$3,764,185

Each 0.1 percent of the Sewer Utility tax rate generates approximately \$71,188 in 2023 and \$75,283 in 2024 of Sewer Utility tax revenue.

Storm Drainage Utility Tax

Maximum Rate:	None
Current Rate:	5.0 percent
2023 Estimate:	\$1,481,013
2024 Estimate:	\$1,555,648

Each 0.1 percent of the Storm Drainage Utility Tax rate generates approximately \$ 29,620 in 2022 and \$31,112 in 2024 of Storm Drainage Utility Tax revenue.

Garbage Tax

Maximum Rate:	None
Current Rate:	4.5 percent



Resource Summary

2023 Estimate: \$1,432,833

2024 Estimate: \$1,485,848

Each 0.1 percent of the Garbage Tax rate generates approximately \$ 31,840 each in 2023 and \$ 33,018 in 2024 of Garbage Tax revenue.

Telephone Utility Tax *(RCW 35.21.870)*

Maximum Rate: 6.0 percent

Current Rate: 6.0 percent

2023 Estimate:	
Telephone Utilities	\$1,930,480
Cellular Telephone Utilities	<u>891,302</u>
Total 2023 Estimated Telephone Utility Tax	\$2,821,782

2024 Estimate:	
Telephone Utilities	\$1,833,956
Cellular Telephone Utilities	<u>819,998</u>
Total 2024 Estimated Telephone Utility Tax	\$2,653,954

Television Cable Franchise Fee *(Cable Communications Policy Act of 1984)*

Maximum Rate: 5.0 percent

Current Rate: 4.8 percent

2023 Estimate: \$2,022,554

2024 Estimate: \$2,022,554

Television Cable Franchise Fees are levied on cable television companies operating in the city, these are expected to be flat moving forward. Each 0.1 percent of the television cable fee generates approximately \$42,136 in 2023 and \$42,136 in 2024 of television cable franchise revenue. In previous budgets before 2015, the cable franchise fees were included in a Franchise Fund, but there is no longer a need to deposit those funds into a separate fund and are included in the General Fund for the last two biennium.

Resource Summary

Utility Tax Watch Areas

The biggest tax revenue-generating utilities are Electric, Water, and Sewer. Electric Tax collections have been higher than the historic trend in the last few years due to hotter weather and higher inflation. As smart phones increased in popularity the declining trend steepened, Cell Phone Utility Tax declined at an average rate of 28 percent from 2018-2021. Cell Phone Utility Tax is expected to decline further in the out years due to the changing billing structure that reduces the taxable voice component and increases the untaxable data component of the bill. The Water Utility Tax continued to grow during the pandemic and is expected to grow with the water rates increases. Except for city-owned utilities, tax collections from utility taxes have been particularly weak in the last few years. Prior to the Great Recession, electric and natural gas had been increasing consistently above inflation. When all utilities are accounted for, the total Utility Tax revenue is expected to increase moderately in 2023 by 0.5 percent and 2.6 percent in 2024.

Legislation: State and Federal legislation can affect tax revenues as services/products may be determined taxable or not taxable⁴. Often the timing of new legislation does not coincide with budget development and impacts are difficult to estimate. The Forecast attempts to incorporate the projected impact of new legislation when materiality warrants an adjustment.

Other Factors: Utility Tax revenues can be affected by uncontrollable variables, such as the economy, weather, market saturation, or new technology. While the Forecast incorporates market trends and historical experience into projections, the impact of these variables is not always predictable.

⁴ RCW 35A.82.020 (code cities); RCW 35.22.195 (first class cities)

Resource Summary

6. Select Other Taxes & Fees Information

Accommodations (Hotel/Motel) Tax *(RCW 67.28.180 RCW 67.28.18F)*

Accommodations Taxes are committed to the Bellevue Convention Center Authority (BCCA), a public development authority created by the City Council on December 4, 1989.

Maximum Rate:	5.0 percent ⁶
Current Rate:	5.0 percent
2023 Estimate:	\$10,131,000
2024 Estimate:	\$11,861,000

Accommodations Tax proceeds are used first to pay Convention Center related debt. Collections in excess of debt requirements are transferred to the BCCA to support operations. The accommodations tax may be used only for tourism facilities and tourism promotion purposes.

Motor Vehicle Fuel Tax *(RCW 82.36.025, RCW 82.38.030)*

2023 Estimate:	\$2,947,559
2024 Estimate:	\$2,979,696

Motor Vehicle Fuel Tax is levied on each gallon of motor vehicle fuel sold and distributed to cities and counties. City distribution is on a per-capita basis.

⁵Most cities may impose a “basic” two percent tax under RCW 67.28.180 on all charges for furnishing lodging at hotels, motels, and similar establishments (including bed and breakfasts and RV parks) for a continuous period of less than one month. In addition, most cities may levy an additional tax of up to two percent, for a total rate of four percent, under RCW 67.28.181(1). Cities that had authority to levy a “special” tax before July 27, 1997 that allowed a total rate higher than four percent, had that rate grandfathered in by the 1997 legislation.¹⁰⁹ All the cities in Grays Harbor and Pierce counties are in this category, plus Chelan, Leavenworth, Long Beach, Bellevue, Yakima, and Winthrop.

⁶Cities that had authority to levy a “special” tax before July 27, 1997 that allowed a total rate higher than four percent, had that rate grandfathered in by the 1997 legislation.¹⁰⁹ All the cities in Grays Harbor and Pierce counties are in this category, plus Chelan, Leavenworth, Long Beach, Bellevue, Yakima, and Winthrop.

Resource Summary

**Figure 4a-11
City and State Revenue Polices: Motor Vehicle Fuel Tax**

Revenue Stream	Source: RCW; Financial Policy; Ordinance; Guiding Practice	Calculation of where each tax is split to
Motor Vehicle Fuel Tax	RCW 82.38.030 – Rates: 46.68.090 – City Dist. Ordinance 4179 dated October 15, 1990 - creation of 1990 Gas Tax Fund, directing 100% of this increase to CIP Ordinance 4907 dated September 3, 1996, directs the unrestricted motor vehicle fuel tax to General Fund and the restricted motor vehicle fuel tax and the amount authorized by the 1990 state legislature (Gas Tax) to the CIP.	Amount from the 1990 state legislature increase to the CIP Total revenue split of 50% CIP, 50% GF

Admissions Tax (RCW 35.21.280)

Maximum Rate:	5.0 percent
Current Rate:	3.0 percent
2023 Estimate:	\$294,793
2024 Estimate:	\$305,708

Admissions Taxes are levied on persons who pay an admission charge for entrance to an event or establishment. It is collected for the city by the business charging the admission for entrance to theaters, amusement parks, and swimming pools, among others.

Leasehold Excise Tax (RCW 82.29A.030, RCW 82.29A.040)

Maximum Rate:	4.0 percent
Current Rate:	4.0 percent
2023 Estimate:	\$144,446
2024 Estimate:	\$149,795

Most leases of publicly-owned real and personal property in the state are subject to a leasehold excise tax in lieu of a property tax. The 1976 legislature established a 12 percent tax to be levied either on the contract rent (when the lease is

Resource Summary

established by competitive bidding) or, in other instances, by the imputed economic rent as determined by the Department of Revenue. The 1982 legislature added a seven percent surcharge making the total rate 12.84 percent. Cities and counties may collectively levy up to six percent of this 12.84 percent. The maximum county rate is six percent and the maximum city rate is four percent. The county must give a credit for any city tax. Therefore, if a city is levying its maximum four percent, the county may collect only two percent in the city. These taxes are collected by the city and remitted to the Department of Revenue. After deducting an administrative fee, the department distributes the taxes to local governments on a bimonthly basis.

Gambling Tax - Amusement & Games (RCW 9.46.110)

Maximum Rate:	2 percent - 5 percent ⁷
Current Rate:	2 percent - 5 percent
2023 Estimate:	\$3,098
2024 Estimate:	\$3,212

Gambling Tax on amusement games, bingo, and raffle activities. State law provides that the city must first use these proceeds to pay for enforcement activities.

Gambling Tax – Punchboards & Pull Tabs (RCW 9.46.110)

Maximum Rate:	5.0 percent
Current Rate:	5.0 percent

⁷ Currently, the maximum tax rates are as follows:

- Amusement games: 2 percent of gross receipts less prizes (net receipts);
- Amusement games by charitable or nonprofit organizations that have no paid operating or management personnel: no tax on first \$5,000 of net receipts (including that from any bingo games), then 2 percent of net receipts;
- Bingo and raffles: 5 percent of net receipts;
- Raffles by charitable or nonprofit organizations: no tax on first \$10,000 of net receipts, then 5 percent of net receipts;
- Bingo by charitable or nonprofit organizations that have no paid operating or management personnel: no tax on first \$5,000 of net receipts (including that from any amusement games), then 5 percent of net receipts;
- Punch boards and pull-tabs by charitable or nonprofit organizations, 10 percent of net receipts;
- Punch boards and pull-tabs by commercial stimulant operators, 5 percent of gross receipts or 10 percent of net receipts;
- Social card games: 20 percent of gross receipts.



Resource Summary

2023 Estimate: \$54,677

2024 Estimate: \$56,701

Gambling Tax on punch board and pull-tab activities. These are reserved to provide youth facilities to the extent that funds from this tax are not first required to enforce gambling laws as required by State law.

Fire Inspection Fee

2023 Estimate: \$738,229

2024 Estimate: \$745,611

The 2023-2024 budget adopts a fire inspection fee to recover the cost of providing fire inspections consistent with cost recovery objectives in similar code inspections.



Resource Summary

7. State Shared Revenues

State funding, sometimes referred to as State-Shared Funds, consists of distribution from state taxes such as the liquor excise tax, liquor board profits, motor vehicle fuel tax, and cannabis excise tax. These revenues have been affected by state budget changes in the past and could be affected in future state budgets.

Liquor Excise Tax

A portion of the basic spirits sales tax on sales to consumers and restaurants are shared with eligible counties, cities and/or towns. "Spirits" are any beverage which contain alcohol obtained by distillation, except flavored malt beverages, but including wines exceeding 24 percent of alcohol by volume. Based on the budget suggestions published by the Municipal Research and Services Center (MRSC), the per capita rate for city distributions in 2023 is estimated to be \$6.86, multiplied by the City's 2022 population of 153,900 estimated by the Office of Financial Management (OFM), or \$1,055,754 in 2023. The City is projecting to receive \$ 1,064,802 in 2024.

Resource Summary

Liquor Board Profits

Initiative 1183 not only privatized liquor sales in Washington, but it also changed the types of liquor revenues collected by the state. The state is now collecting revenue in the form of license fees from distributors and retailers, rather than profits from the state-run liquor stores.

A portion of these liquor profits goes to cities, counties, and border jurisdictions. Based on the budget suggestions published by MRSC, the per capita rate for city distributions in 2023 is estimated to be \$7.65, multiplied by the 2022 population of 153,900, or \$ 1.17 million in 2023. The city is projecting to receive \$1.17 million in 2024.

Motor Vehicle Fuel Tax (MVFT)

Washington State shares fuel tax with local jurisdictions on a per capita basis. Fuel taxes in Washington are assessed as cents per gallon. Fuel tax revenue depends on the number of gallons sold, not the dollar value of the sales. Counties, cities, and towns receive a share of the multi-modal funds and the increase in fuel tax because of Second Engrossed Substitute Senate Bill 5987. The legislation provided for direct distributions to be phased in over the 2015-17 and 2017-19 biennium. The result is a combined annual distribution to counties, cities, and towns, starting with the state fiscal year 2019. These direct transfers are split equally between cities and counties, with the distribution to cities based on population. Based on the budget suggestions published by MRSC, the per capita rate for city distributions in 2023 is estimated to be \$19.34, multiplied by the city's 2022 population of 153,900, or \$3 million in 2023. The MVFT revenue is split equally between the General Fund and CIP (\$1.5 million). The City is projected to receive \$3 million in 2024.

Cannabis Excise Tax

Effective June 2022 the formula for cannabis excise distributions to counties, cities, and towns was adjusted to increase distributions and tie future distributions to actual cannabis sales. The state distributes a portion of the marijuana excise taxes to the Liquor and Cannabis Board (LCB) and various state agencies and programs quarterly. Previously, the state treasurer appropriated an amount equal to 30 percent of general fund deposits of unappropriated cannabis excise tax revenues exceeding \$25 million, with a maximum of \$20 million per year. Now appropriation depends on actual cannabis sales, with cities and counties receiving a percentage of the excise tax revenues after various deductions for other programs. 30 percent will go to the local governments where retailers are physically located. 70 percent will be distributed on a per capita basis to local governments that do not prohibit cannabis. The city is projecting to receive around \$446,195 in 2023 and around \$466,452 in 2024.



Resource Summary

C. Tax Rate Information

Figure 4a-12 (A)

Comparison of 2022 Urban Tax Rates Rates in Effect for Property as of January 2022

This figure provides a comparison of City of Bellevue tax rates to the tax rates of the other Washington cities with over 20,000 population effective January 2022. Comparisons in the figure below show that Bellevue's property tax rate is well below the average for these Washington cities. In 2022, the City of Bellevue's total property tax levy rate is \$0.84 as shown below.

Resource Summary

Property Tax Regular Levy \$ Tax Per \$1,000 A. V.	
\$3.60 Limit	
\$3.53 Bellevue Limit	
\$1.37 AVG.	
	Bellevue Regular Levy \$0.59

\$2.90	Moses Lake
\$2.50	SeaTac
\$2.49	Spokane
\$2.41	Camas
\$2.34	Yakima
\$2.26	Tumwater
\$2.25	Richland
\$2.23	Longview
\$2.21	Olympia
\$2.16	Tukwila
\$1.96	Walla Walla
\$1.90	Tacoma
\$1.85	Vancouver
\$1.82	Oak Harbor
\$1.79	Pullman
\$1.78	Everett
\$1.77	Mount Vernon
\$1.71	Kennewick
\$1.68	Bremerton
\$1.66	Auburn
\$1.63	Ellensburg
\$1.47	Pasco
\$1.42	Sammamish
\$1.29	Mill Creek
\$1.23	Kent
\$1.22	Battle Ground
\$1.14	Seattle
\$1.13	Puyallup
\$1.13	Shoreline
\$1.11	Mountlake Terrace
\$1.11	Kirkland
\$1.08	Wenatchee
\$1.02	Spokane Valley
\$1.01	Renton
\$1.00	Marysville
\$1.00	Bellingham
\$0.99	Des Moines
\$0.97	Bothell
\$0.96	Mukilteo
\$0.93	Burien
\$0.92	Lake Stevens
\$0.89	Kenmore
\$0.88	Lacey
\$0.84	Edmonds
\$0.84	Bonney Lake
\$0.84	Covington
\$0.82	Federal Way
\$0.81	Maple Valley
\$0.81	Lakewood
\$0.79	Bainbridge Island
\$0.78	Redmond
\$0.78	University Place
\$0.75	Arlington
\$0.75	Mercer Island
\$0.74	Issaquah
\$0.59	Bellevue
\$0.53	Lynnwood
\$0.00	

Property Tax Total Regular & Excess Levies \$ Tax Per \$1,000 A. V.	
\$3.60 Limit	
\$3.53 Bellevue Limit	
\$1.51 AVG.	
	Bellevue Levy \$0.84

\$3.45	Spokane
\$2.90	Moses Lake
\$2.72	Tukwila
\$2.50	SeaTac
\$2.41	Walla Walla
\$2.41	Camas
\$2.41	Bremerton
\$2.34	Yakima
\$2.33	Olympia
\$2.27	Tacoma
\$2.26	Tumwater
\$2.25	Richland
\$2.23	Longview
\$2.21	Everett
\$2.17	Seattle
\$1.90	Bothell
\$1.85	Vancouver
\$1.82	Oak Harbor
\$1.79	Pullman
\$1.77	Mount Vernon
\$1.71	Ellensburg
\$1.71	Kennewick
\$1.66	Auburn
\$1.64	Mill Creek
\$1.60	Mountlake Terrac
\$1.58	Bellingham
\$1.50	Marysville
\$1.47	Pasco
\$1.42	Sammamish
\$1.29	Mukilteo
\$1.23	Kent
\$1.22	Battle Ground
\$1.18	Edmonds
\$1.13	Puyallup
\$1.13	Shoreline
\$1.12	Kirkland
\$1.08	Wenatchee
\$1.06	Kenmore
\$1.02	Spokane Valley
\$1.01	Renton
\$1.00	Redmond
\$0.99	Des Moines
\$0.96	Lacey
\$0.93	Burien
\$0.92	Lake Stevens
\$0.85	Bainbridge Island
\$0.84	Bonney Lake
\$0.84	Bellevue
\$0.84	Covington
\$0.82	Federal Way
\$0.81	Maple Valley
\$0.81	Lakewood
\$0.80	Mercer Island
\$0.78	University Place
\$0.75	Arlington
\$0.75	Lynnwood
\$0.53	Issaquah
\$0.12	
\$0.00	



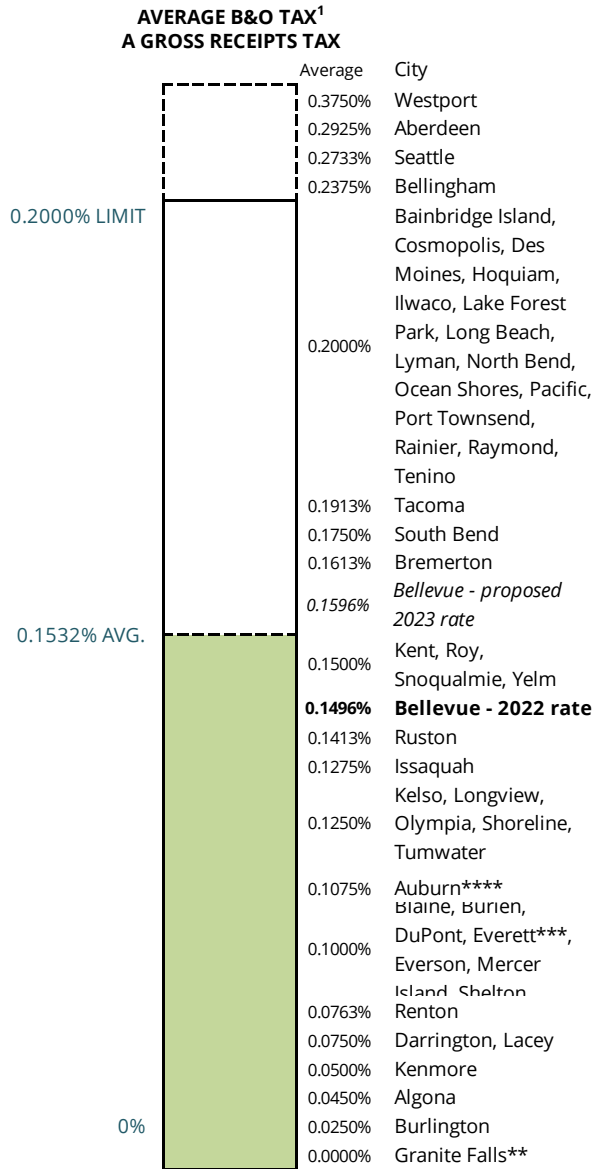
Resource Summary

Figure 4a-12 (B) **Comparison of 2022 Urban Tax Rates** **Rates in Effect for B&O Tax as of January 2022**

Comparisons in the figure below show that Bellevue's B&O Tax is well below the average of Washington cities for rates effective January 2022. Bellevue's B&O Tax rates will increase by 0.01 percent in 2023, individual rates can be found in Figure 8a-2, Summary of Locally Levied Taxes, B&O Tax.

Resource Summary

Comparison of 2022 B&O Tax Rates Effective January 1, 2022



¹ Unweighted average B&O tax on service, retail, wholesale, manufacturing and services activities for those cities which impose a gross receipts business tax.

*Kenmore's B&O tax applies to heavy manufacturing only.

**Granite Falls repealed its B&O tax for all businesses other than extracting.

***For manufacturing gross receipts over \$8 billion, the B&O rate drops to 0.00025.

****Auburn adopted a B&O tax effective January 1, 2022.

NOTE: Rates exceeding the 0.20% limit reflect voter approved increases above the statutory limit or grandfathered rates prior to 1982 limit.

[Source: Department of Revenue, Association of Washington Cities](https://www.dor.wa.gov/Revenue/Association-of-Washington-Cities)

Resource Summary

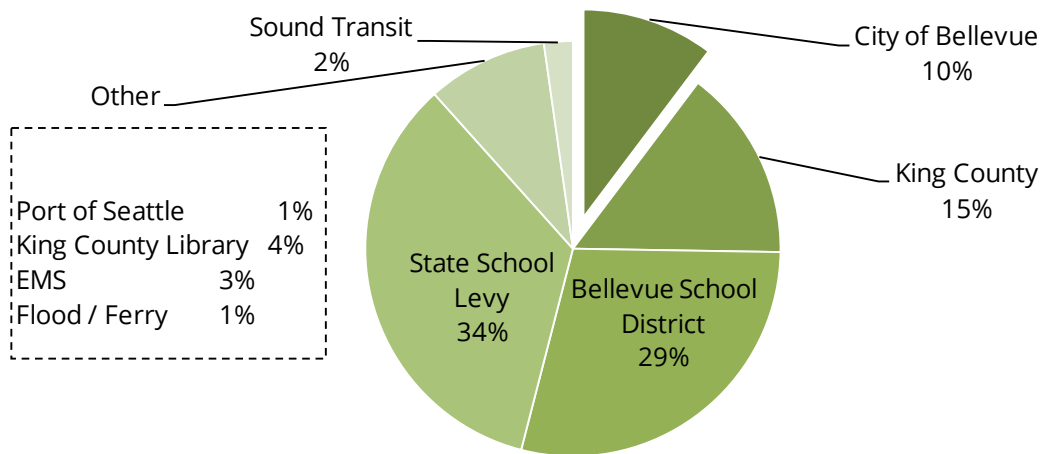
Figure 4a-14

Property Taxes

Typical Distribution of Property Tax Dollars

This figure illustrates the Property Tax distribution for a typical Bellevue taxpayer in 2022. As shown in the pie chart, Bellevue's Property Tax Levies make up only 10 percent of a property owner's tax bill. The largest components are the State School Levy and the Bellevue School District Levy which together comprise 63 percent of the typical taxpayer's property tax obligation.

Official property tax records are maintained by the King County Assessor's Office.



The following table displays the 2022 property tax bills for hypothetical low-, medium-, and high-assessed value (AV) homes.

	2022 Rate/\$1,000 of AV	Low AV = \$500,000	Medium AV = \$936,000	High AV = \$1,500,000
Emergency Medical Services	\$0.25	\$124	\$233	\$373
Port of Seattle	0.11	56	104	166
Flood / Ferry Levy	0.08	41	75	119
King County Library	0.33	164	305	488
City of Bellevue	0.84	422	790	1,267
King County	1.23	614	1,151	1,843
Bellevue School District	2.36	1,179	2,208	3,540
State School Levy	2.82	1,408	2,638	4,227
Sound Transit	0.18	92	173	278
Total	\$8.20	\$4,100	\$7,677	\$12,302

Note: Columns/graph may not foot due to rounding

Resource Summary

Figure 8a-14
Property Valuation & Tax Levy Information
2002 through 2024

This figure displays historical property tax information for comparison purposes. Official property tax records are maintained by the King County Assessor's Office. Property owners are taxed on 100 percent of the Assessed Value of their property.

Year	Regular Assessed Valuation (\$ in Billions)	% Change from Prior Year	Regular Property Tax Levy (\$ in Thousands)	% Change from Prior Year	Tax Rate Per \$1000 Assessed Valuation		
					Voted Levy	Regular Levy	Total Property Tax Rate
2002	19,705	11.9%	24,859	5.8%	0.13	1.26	1.39
2003	20,696	5.0%	25,214	1.4%	0.13	1.22	1.35
2004	21,212	2.5%	25,572	1.4%	0.13	1.21	1.34
2005	22,214	4.7%	25,814	0.9%	0.07	1.16	1.23
2006	23,957	7.8%	26,264	1.7%	0.06	1.10	1.16
2007	26,612	11.1%	27,638	5.2%	0.05	1.04	1.09
2008	31,396	18.0%	28,904	4.6%	0.00	0.92	0.92
2009	37,627	19.8%	31,201	7.9%	0.11	0.83	0.94
2010	34,103	-9.4%	32,011	2.6%	0.12	0.94	1.06
2011	32,079	-5.9%	32,583	1.8%	0.13	1.02	1.14
2012	30,977	-3.4%	32,952	1.1%	0.13	1.06	1.19
2013	32,673	5.5%	34,359	4.3%	0.12	1.05	1.18
2014	36,046	10.3%	34,679	0.9%	0.11	0.96	1.07
2015	41,442	15.0%	36,486	5.2%	0.10	0.88	0.98
2016	44,546	7.5%	37,517	2.8%	0.09	0.84	0.94
2017	49,365	10.8%	38,711	3.2%	0.36	0.78	1.14
2018	56,347	14.1%	39,856	3.0%	0.32	0.71	1.03
2019	64,986	15.3%	41,109	3.1%	0.28	0.63	0.91
2020	68,117	4.8%	42,450	3.3%	0.28	0.62	0.90
2021	71,059	4.3%	43,716	3.0%	0.27	0.62	0.89
2022	76,955	8.3%	45,204	3.1%	0.26	0.59	0.85
2023*	88,718	15.3%	47,176	4.4%	0.21	0.47	0.68
2024*	91,603	3.3%	48,612	3.0%	0.20	0.47	0.67



Resource Summary

Notes:

- Prior year AV is used to calculate current year property tax rates. i.e. 2021 AV is used to calculate 2022 rates.
- 2008 Regular Property Tax Levy reflects retirement of 2003 Unlimited Tax General Obligation bonds
- 2009 Regular Property Tax Levy does not include the Parks & Natural Areas Voted Levy
- Figures may not foot due to rounding
- * 2023-2024 AV and levy data are estimated using King County Economic Forecast.