



TO: Elizabeth Pauli, City Manager
FROM: Reid Bennion, Budget Officer, Office of Management and Budget
Andy Cherullo, Director of Finance
COPY: City Council and City Clerk
SUBJECT: Ordinance - Approve the EMS Tax Levy – November 21, 2023
DATE: October 31, 2023

SUMMARY AND PURPOSE:

The City of Tacoma is required by state law to annually approve the Emergency Medical Services (EMS) levy on property taxes. Staff recommends that the City Council set the amount of revenue from the EMS property tax levy at \$20,795,288.

BACKGROUND:

This Department's Recommendation is Based On: Pursuant to RCW 84.52.020 and RCW 84.52.070, the City of Tacoma must pass an ordinance that identifies the estimated revenues raised by taxation on the assessed valuation of the property in the city.

The City of Tacoma must take two actions to set the EMS property tax levy for 2024:

- Approve the total EMS levy amount to be collected – State law requires that the City adopt an ordinance that states how much in property taxes the City is requesting to collect in 2024.
- Approve the percentage and dollar increase over the prior year's actual EMS levy – State law requires that the City Council approve a separate ordinance or resolution that states the percentage and dollar increase of this year's levy request over the prior year's actual levy. This action establishes the City's highest allowable levy amount.

The City has the authority to increase the total EMS levy amount to \$21,327,972.68 in 2024. This includes the levy rate of \$0.50 per \$1000 assessed property value, approved by voters in August 2023. The 2024 property tax levy estimate does not include new construction and refund.

The City anticipates that it can collect an additional \$527.32 due to the value of new construction, and \$44,131.71 in a refund levy. The total estimated EMS property tax of \$21,328,500.00 is consistent with the property tax projected in the 2023-2024 Proposed Mid Biennium Budget Modification.

Jurisdictions with populations of 10,000 or greater are limited to increasing the City's levy by the lower of 1% or the rate of inflation. The implicit price deflator, used to measure inflation, is 3.67%.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

A public hearing will be held on November 21, 2023.



2025 STRATEGIC PRIORITIES:

Equity and Accessibility

The City’s budget is one of the most basic and important ways that we demonstrate our commitment to the community. In the budget development process, and with this Budget Modification, we are honoring City Council Resolution No. 40622, which directs staff to keep anti-racism as a top priority in budget development and to prioritize anti-racism in the planning of an economic recovery strategy.

ALTERNATIVES:

Pursuant to RCW 84.52.020 and RCW 84.52.070 the City of Tacoma is required to pass an ordinance to set the amount of revenue from the EMS property tax levy; therefore, staff has not identified an alternative.

EVALUATION AND FOLLOW UP:

The Office of Management and Budget will continue to produce reports for budget versus actuals in the 2023-2024 biennium and provide quarterly updates to City Council.

STAFF/SPONSOR RECOMMENDATION:

Staff recommends that the City Council approve the ordinance to set the estimated amount of revenue from the EMS property tax levy at \$21,327,972.68.

FISCAL IMPACT:

EMS property tax of \$21,327,972.68 is consistent with the property tax projected in the 2023-2024 Proposed Mid Biennium Budget Modification. With updated state valuation of \$527.32, EMS property tax is estimated at \$21,328,500.00. which is consistent with the EMS property tax projected in the 2023-2024 Proposed Mid Biennium Budget modification. In 2024, staff anticipated property tax revenues to be approximately \$20.8 million due to historical collection rates of 97.5%.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1155- TFD EMS Special Revenue Fund	609100 - TFD EMS Spec Rev	4311100 – Property Tax	\$ 20,795,288
TOTAL			



City of Tacoma

City Council Action Memorandum

What Funding is being used to support the expense?

Revenues collected from Property tax and EMS

Are the expenditures and revenues planned and budgeted in this biennium's current budget?

NO, PLEASE EXPLAIN BELOW

This Ordinance adopts expenditures and revenues for 2024.

Are there financial costs or other impacts of not implementing the legislation?

YES

Failing to adopt the 2024 Budget will result in the City being out of compliance with RCW 35.34.

Will the legislation have an ongoing/recurring fiscal impact?

YES

Will the legislation change the City's FTE/personnel counts?

NO

ATTACHMENTS:

None