



TO: Elizabeth Pauli, City Manager
FROM: Katie Johnston, Budget Officer, Office of Management and Budget
Andrew Cherullo, Finance Director, Finance
COPY: City Council and City Clerk
SUBJECT: Ordinance – Approve the EMS Tax Levy – November 12, 2019
DATE: October 25, 2019

SUMMARY:

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 \$11,137,435.44.

STRATEGIC POLICY PRIORITY:

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

BACKGROUND:

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.

ISSUE:

The City of Tacoma must take two actions to set the EMS property tax levy for 2020:

- 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 2020.
- 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 \$11,137,435.44 in 2020. The 2020 property tax levy estimate does not include new construction.

The City anticipates that it can collect an additional \$218,976.62 due to the value of new construction and improvements and \$43,714.94 in the refund levy. The total estimated property tax of \$11,400,126.99 is consistent with the property tax projected in the 2019-2020 Proposed Budget. 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 1.4%.

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.

RECOMMENDATION:

Staff recommends that the City Council approve the ordinance to set the estimated amount of revenue from the EMS property tax levy at \$11,137,435.44.



FISCAL IMPACT:

EMS property tax of \$11,137,435.44 is consistent with the property tax projected in the 2019-2020 Proposed Budget. With new construction and refunds, property tax is estimated at \$11,400,126.99 which is consistent with the property tax projected in the 2019-2020 Proposed Budget. In 2020, staff anticipated property tax revenues to be approximately \$11.1 million due to historical collection rates of 97.5%.

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
1155- TFD EMS Special Revenue Fund	Various	Various	\$11,115,124
TOTAL			\$11,115,124

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
1155- TFD EMS Special Revenue Fund	609100 - TFD EMS Spec Rev	4311100 – Property Tax	\$11,115,124
TOTAL			\$11,115,124

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: None

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes