



TO: Elizabeth Pauli, City Manager
FROM: Katie Johnston, Budget Officer, Office of Management and Budget
Andy Cherullo, Director of Finance
COPY: City Council and City Clerk
SUBJECT: Ordinance – State Dollar and Percent Increase for EMS Levy Lid Lift – October 29, 2024
DATE: October 18, 2024

SUMMARY AND PURPOSE:

An Ordinance detailing the dollar amount and percentage increase of the Emergency Medical Services (EMS) levy lid lift. The City of Tacoma is required by state law to annually approve the Emergency Medical Services (EMS) levy on property taxes. In 2024, the actual levy was \$21,230,613.72. In 2023, voters approved a levy lid lift to \$0.50 per \$1,000 assessed property tax to fund Emergency Medical Services (EMS) operations. This approval also allowed the City to increase the levy by 6% per year or to the statutory limit of \$0.50 per \$1,000 of Assessed Value, as calculated by the Pierce County Auditor. Staff recommends that the City Council authorizes a 6.0% or \$1,273,836.83 dollar increase to the City’s actual levy from 2024.

BACKGROUND:

This Department’s Recommendation is Based On: In order to increase the City’s highest lawful EMS levy, the City is required to pass an ordinance that authorizes the percent and dollar increase over the district’s actual levy from the previous year.

The City of Tacoma must take two actions to set the EMS property tax levy for 2025:

- 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 2025.
- Approve the EMS levy rate - State law requires the City Council to approve an ordinance setting the rate at \$0.50 per \$1000 assessed value as approved by voters in 2023.

This ordinance will allow the EMS levy to be 6.0% or \$1,273,836.83 over the 2024 amount of \$21,230,613.72. However, the maximum allowable levy amount in 2025 due to the statutory cap of \$0.50 per \$1,000 of Assessed Value is estimated at \$22,449,091.89 (a 5.7% increase over 2024). This recommendation is consistent with the EMS property tax projected in the 2025-2026 Proposed Budget.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

A public hearing will be held on October 29, 2024.

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 2025-2026 biennium and provide quarterly updates to City Council.

STAFF/SPONSOR RECOMMENDATION:

Staff recommends that the City Council authorize a 6.0% or \$1,273,836.83 increase to the City’s actual EMS Levy amount from 2024.

FISCAL IMPACT:

EMS property tax estimate of \$22,449,091.89 is consistent with the EMS property tax projected in the 2025-2026 Proposed Budget. In 2025, staff anticipated property tax revenues to be approximately \$22.2 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	\$22,255,504.82
TOTAL			\$22,255,504.82

What Funding is being used to support the expense?

Revenues collected from Property Tax and EMS levy lid lift.

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

YES

The budget is included in the 2025-2026 Proposed Budget.

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

YES

Failing to adopt the 2025 EMS levy lid lift will result in the City of Tacoma in noncompliance of RCW 35.34.

Will the legislation have an ongoing/recurring fiscal impact?

YES

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

No