

CITY OF TACOMA  
**BUDGET**  
2015-2016

## 2016 Property Tax Levies

*Katie Johnston*  
*City Council Meeting*  
*November 10, 2015*

### Overview

- **2015-2016 Revenue Update**
- **Review Property Tax Resolutions and Ordinances for 2016**
  - One Resolution to state substantial need
  - Four Ordinances to set the City of Tacoma's regular and EMS property tax levies. Each levy has two ordinances:
    - Approves the total levy amount to be collected
    - Approves the percentage and dollar increase over the prior year's actual levy

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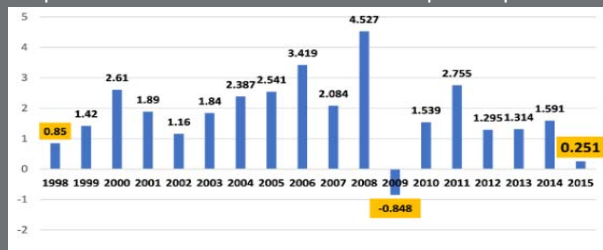
## General Fund Revenue Variance (Millions)

Revenue Source	Thru Q3 Plan	Thru Q3 Actual	Variance
Property Tax	29.71	30.45	0.74
Business Tax	34.76	34.75	(0.01)
Utility Tax	32.35	31.83	(0.52)
Sales Tax	33.11	33.59	0.48
Other Revenue	14.44	15.31	0.87
<b>Total</b>	<b>144.37</b>	<b>145.93</b>	<b>1.56</b>

## 2016 Levy Restriction

- City Received Property Tax Levy Information from County Assessor
- State Law allows City to increase Property Levy to lower of 1% or the rate of inflation (Implicit Price Deflator)
- For 2016 Levy, Implicit Price Deflator is 0.251%

Implicit Price Deflator for Personal Consumption Expenditures



Source: Bureau of Economic Analysis, [BEC](#)

## 2016 Levy Restriction

- Regular Property Tax Levy - City restricted to 0.251% increase unless the City issues a statement of substantial need
  - \$400 K less than the 1% increase
  - Used as the base for future levies
- With a statement of substantial need, City can increase its regular levy up to 1%
- Statement of Substantial Need:
  - Allows City to maintain its long term financial sustainability and maintain service levels as established in 2015-2016 Adopted Budget
- EMS Property Tax Levy
  - Maintains restriction of \$0.50 per \$1,000 of AV

## Regular Property Tax Levy

- **Tonight's ordinances authorize the 2016 property tax levy at \$54.9 M, which is a 1% increase over the highest regular levy**

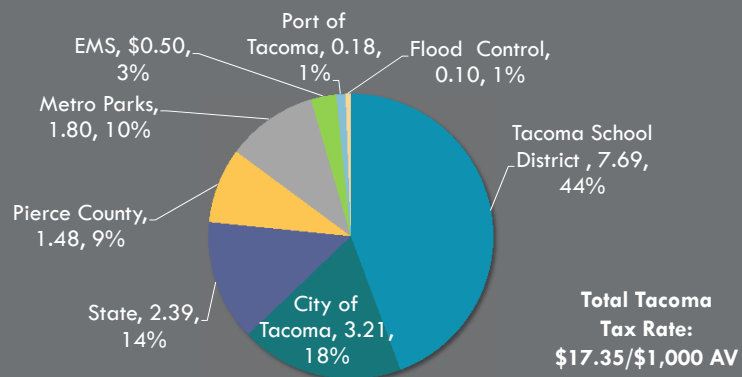
	2015 Revenues
Regular Property Tax Levy	\$54.9 M
New Construction Revenues	\$0.9 M
Refund Levy	\$0.3 M
Total Estimated Levy	\$56.1 M
Anticipated Property Tax Revenues (Using historical collection rate)	\$53.4 M

## Emergency Medical Services Levy

- This week's ordinances authorizes an increase in the EMS levy to the maximum allowed, given the statutory rate maximum of \$0.5 per \$1,000 of AV

Maximum Levy Allowed in 2016	2015 Assessed Value	Max Levy Rate (per \$1,000 AV)	Statutory Rate Limit (per \$1,000 AV)	Rate Limited Levy
\$10.1 M	\$18.9 B	\$0.55	\$0.50	\$9.4 M

## 2015 Property Tax Rate



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