



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 – Setting the EMS Tax Levy – October 29, 2024
DATE: October 17, 2024

SUMMARY AND PURPOSE:

An Ordinance setting the overall levy lid lift amount for 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. Staff recommends that the City Council set the amount of revenue from the EMS property tax levy at \$22,504,450.55 in 2025.

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 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 August 2023.

The City has the authority to increase the total EMS levy amount to \$22,730,300.45 in 2025. The levy is subject to a statutory levy limit of \$0.50 per \$1,000 of assessed property value rate. Staff estimates this rate will result in slightly lower lawful of \$22,449,091.89, which will be applied by Pierce County. This includes the levy lift approved by voters in August 2023. The 2025 property tax levy estimate is consistent with the maximum amount allowable under state law. This amount is consistent with the 2025-2026 Proposed Budget.

Normally, 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 2.57%.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

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

2025 STRATEGIC PRIORITIES:

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 approve the ordinance to set the estimated amount of revenue from the EMS property tax levy at \$22,449,091.89.

FISCAL IMPACT:

EMS property tax of \$22,449,091.89 is consistent with the property tax projected in the 2025-2026 Proposed Budget. This is the maximum amount allowable under state law. 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			\$22,225,504.82

What Funding is being used to support the expense?

Revenues collected from Property and EMS levy lid lift taxes.

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

YES

The 2025-2026 Proposed Budget is consistent with this estimate.

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 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