

City of Tacoma

City Council Action Memorandum

TO: Hyun Kim, Interim City Manager

FROM: Jeff Upton, Finance Manager, Office of Management and Budget

Andy Cherullo, Director of Finance

COPY: City Council and City Clerk

SUBJECT: Ordinance - Setting the EMS Tax Levy - October 28, 2025

DATE: October 22, 2025

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 EMS levy on property taxes. Staff recommend that the City Council set the amount of revenue from the EMS property tax levy at \$23,739,530.91 in 2026.

BACKGROUND:

<u>This Department's Recommendation is Based On:</u> 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 2026:

- 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 2026.
- 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.

This ordinance will allow the EMS levy to be up to 6.0% or \$1,343,747.03 over the 2025 amount of \$22,395,783.88. However, due to the statutory cap of \$0.50 per \$1,000 of Assessed Value, the maximum allowable levy amount for 2026 is estimated to be \$22,984,528.98 (a 2.6% increase over 2025). This recommendation is consistent with the EMS property tax projected in the 2025-2026 Adopted 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 2.44% for property taxes due in 2026.

COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:

A public hearing will be held on October 28, 2025.

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.

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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 recommend that the City Council approve the ordinance to set the estimated amount of revenue from the EMS property tax levy in 2026 at \$23,739,530.91.

FISCAL IMPACT:

The EMS property tax estimate of \$22,984,528.98 is consistent with the property tax projected in the 2025-2026 Adopted Budget. Due to historical collection rates of 97.5%, staff anticipate property tax revenues to be approximately \$22 million for the 2026 fiscal year.

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	\$ 22,409,915.76*
TOTAL			\$22,409,915.76

^{*}Assumes 97.5% collection rate

What Funding is being used to support the expense?

Revenues collected from Property and EMS levy lid lift.

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

The revenues are included in the 2025-2026 Adopted Budget.

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

YES

No

Failing to adopt the 2026 EMS levy lid lift will adversely affect the City's EMS levy collection.

Will the legislation have an ongoing/recurring fiscal impact? YES

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