



Staff Report

November 6, 2023 Council Workshop

2024 Property Tax Presentation

Presenter: Cathy Huber Nickerson, Finance Director

Time Estimate: 15 minutes

Phone	Email
360.817.1537	chuber@cityofcamas.us

BACKGROUND: This presentation is designed to provide an overview of the 2024 property tax levy options the Council has with the Implicit Price Deflator above 1%. Staff will provide the three options and will request direction for the 2024 Budget.

SUMMARY: Property taxes are the primary revenue source for funding of general fund services and emergency medical services for the City of Camas. Property taxes are complicated with different limitations but the one limit which requires the City Council's annual consideration is the Levy Increase Limit. In Washington State, property taxes increases are not based on the increasing value of properties but rather on the amount of property taxes that are assessed from the prior year. Each year's levy may be increased by no more than 1% or the Implicit Price Deflator (IPD) whichever is less. The IPD is the percentage change in the implicit price deflator for personal consumption as published by the Bureau of Economic Analysis by September 25th. The IPD for the 2024 property tax levy is 3.67%. Therefore, the lawful highest levy would be 1% increase.

The City always has the option to levy the prior year levy amount as well, which would be a 0% increase in the levy. Also, the City has the additional option to use the City's banked capacity from 2023.

These options impact the taxpayer but generally in Camas, it is usually a nominal amount variance between the options. The presentation will review the options for the General Fund levy. The presentation will also provide the average taxpayer's impact with all options.

BENEFITS TO THE COMMUNITY: The intent of the presentation is to provide options to City Council to determine which levy will benefit the whole community while maintaining affordable tax rates.

POTENTIAL CHALLENGES: For residents who are having difficulty to pay their property tax bill the Clark County Assessor's Office can provide exemptions for homeowners who are within certain age and income groups as well as homeowners who may be disabled.

BUDGET IMPACT: The 2024 Budget is projected to incorporate the 1% levy increase. In the past, Council has maintained the 1% to ensure the compounding impact of the 1% is preserved. To compare the options:

Option Number	General Fund Levy	Tax Levy	Tax Rate	Annual Impact on Homeowner Of \$649,124 Home
1.	0%	\$14,934,915	\$1.84/\$1,000	\$1,197 (\$150 less than 2023)
2.	1%	\$15,081,851 \$146,936 more than #1	\$1.86/\$1,000 \$0.02 more than #1	\$1,209 (\$138 less than 2023) \$12 more than #1
3.	1% and use of banked capacity	15,177,881 \$242,966 more than #1 \$96,030 more than #2	\$1.87/\$1,000 \$0.03 more than #1 \$0.01 more than #2	\$1,217 (\$130 less than 2023) \$20 more than #1 \$8 more than #2

RECOMMENDATION: Staff recommends the 1% property tax increase with banked capacity to be dedicated to public health and safety and to preserve the base revenue source of the City's General Fund and EMS Fund given the low financial impact to average homeowner.