



Staff Report – Public Hearing for 2025 Property Tax Levies

November 18, 2024 Regular Meeting

Public Hearing for 2025 Property Tax Levies

Presenter: Cathy Huber Nickerson, Finance Director

Time Estimate: 10 minutes

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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 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 2025 property tax levy 2.57%. Therefore, the lawful highest levy would be 1% increase.

The EMS property tax levy, the voters renewed the 6-year levy on April 23, 2024, to \$0.46/\$1,000 for 2025. As a result, Council does not need to approve the levy for 2025 but will in subsequent years.

For the 2025 Unlimited General Obligation Bond approved by the voters on August 6, 2024, property taxes are the only source of funding to pay the debt service on the bonds. The voters agreed to pay for annual debt service but since there is not 100% collected each year on tax levies, the first few years are higher than the debt service to ensure payment. In addition, this first year is an estimate because the bonds will not be issued until the first quarter of 2025 but will have payments due in June and in December.

BENEFITS FOR THE COMMUNITY: Property taxes are the largest funding source of revenue funding essential City services such as Police, Fire, EMS, Parks and Recreation, Library, Community Development and Streets.

POTENTIAL CHALLENGES: Property taxes can increase more than 1% for the homeowner with rising assessed values. Clark County Assessor and Treasurer Offices provides options elderly and disabled homeowners which can help mitigate higher tax bills.

BUDGET IMPACT: For the General Fund, the estimated property taxes will be \$15,633,890. For the EMS Fund the estimated property taxes will be \$3,719,074. For the 2025 Unlimited General Obligation Bond levy, the estimated property taxes will be \$1,800,000.

RECOMMENDATION: Staff recommends Council open a public hearing to consider public comment regarding the increase in property taxes of 1% on the General Fund Levy. After hearing public testimony on the General Fund Levy, Council may consider approving Ordinance 24-017 for the General Fund Levy followed by Ordinance 24-018 for the 2025 Unlimited General Obligation Bond levy.