



# Staff Report – Public Hearing for 2024 Property Tax Levies (Ordinances 23-014 and 23-015)

November 20, 2023 Council Regular Meeting

Public Hearing – 2024 Property Tax Levies

Presenter: Cathy Huber Nickerson, Finance Director

Time Estimate: 10 minutes

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**BACKGROUND:** This public hearing is to consider public comments on two property tax ordinances. The first ordinance is 23-014 for the General Fund property tax levy and the second is 23-015 for the EMS property tax levy. Both levies are for the fiscal year 2024.

**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 25<sup>th</sup>. The IPD for the 2024 property tax levy is 3.67%. Therefore, the lawful highest levy would be 1% increase.

The City Council considered three options for the General Fund Levy: increase the levy 1%, hold the levy to 2023, or increase the levy 1.65% to utilize the 1% for 2024 and remaining banked capacity of 0.65% from 2023. The Council provided staff direction to bring back a General Fund Ordinance opting for 1.65% in 2024 and an EMS Levy Ordinance of 1% (the banked capacity is not available for the EMS levy).

## **BENEFITS TO THE COMMUNITY:**

**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 1.65% General Fund Levy increase which utilizes the banked capacity of a portion of the 1% from 2023 and 1% increase for the EMS Levy. In the past, Council has maintained the 1% to ensure the compounding

impact of the 1% is preserved. Below is the impact of the 1.65% for the General Fund and 1% for the EMS Levy:

Levy	Increase Rate	Tax Levy	Tax Rate	Annual Impact on Homeowner Of \$649,124 Home
General Fund	1% and use of banked capacity	15,177,881	\$1.87/\$1,000	\$1,217 (\$130 less than 2023)
EMS Levy	1%	\$2,612,539	\$0.327/\$1,000	\$213 (\$15 less than 2023)

**RECOMMENDATION:** Staff recommends the Council open a public hearing to consider public comments followed by consideration of Ordinance No. 23-014 and Ordinance No. 23-015. Staff recommends Council moves to adopt Ordinance No. 23-014 and Ordinance No. 23-015.