
Meeting Date: November 25, 2024

Subject: Public Hearing for Property Taxes

Attachments: Ordinance 2024-17

Presented by: Adam Vaughn, Finance Director

Approved for Agenda by: Dan Ford, City Manager

Discussion:

State statute requires that local governments hold a public hearing on estimated revenue sources for the coming year's budget, including consideration of increases in property tax revenues. This public hearing must be held prior to the Council voting on the annual property tax levy.

2025 projected revenue without fund balances is as follows:

2025 Projected Revenues	All Funds		General Fund	
310 - Taxes	6,264,092	37.13%	5,119,164	81.87%
320 - Licenses & Permits	150,785	0.89%	147,523	2.36%
330 - Intergovernmental	595,489	3.53%	285,162	4.56%
340 - Charges for Services	8,236,757	48.82%	172,661	2.76%
350 - Fines & Forfeitures	62,966	0.37%	62,966	1.01%
360 - Miscellaneous Revenues	528,091	3.13%	465,142	7.44%
380 - Non Revenues	65,560	0.39%	-	0.00%
390 - Other Financing	966,603	5.73%	-	0.00%
Total Revenues:	16,870,342	100.00%	6,252,617	100.00%

The City's largest funding source, Charges for Services (48.82%), comes from our Utility fund charges (Water, Sewer, Solid Waste). The second largest funding source is taxes (37.13%) which includes property tax, sales tax, and utility taxes. Property tax makes up about 15% of the City's General Fund budget and is consistently the most reliable source of revenue for the City. The City has only been able to increase property tax by 1% each year without a levy lid lift. While small, the increase over time is important to maintaining General Fund services.

After the failure of the Metropolitan Park District measure, residents will not have an extra \$0.75 per \$1,000 of assessed value levied on them.

The following table lists the overlapping property tax districts and their estimates for their 2025 levies, showing a more accurate representation of the total property tax that a resident will pay at various house price points.

Total Assessed Valuation: \$580,599,296		Total Toppenish Tax Requested - \$934,618				
Proposed Tax Year 2024	Rate	\$150,000	\$175,000	\$200,000	\$225,000	\$225,000
County Emergency Medical Service	0.24	36.00	42.00	48.00	54.00	60.00
City of Toppenish - Regular	1.60	240.00	280.00	320.00	360.00	400.00
County Flood Control	0.05	7.50	8.75	10.00	11.25	12.50
State School Levy Part 1	1.32	198.00	231.00	264.00	297.00	330.00
State School Levy Part 2	0.83	124.50	145.25	166.00	186.75	207.50
Yakima County Road	1.29	193.50	225.75	258.00	290.25	322.50
Yakima Valley Libraries	0.28	42.00	49.00	56.00	63.00	70.00
Toppenish School District #202	3.80	570.00	665.00	760.00	855.00	950.00
Total	9.41	\$1,411.50	\$1,646.75	\$1,882.00	\$2,117.25	\$2,352.50

To calculate the property tax for any house, divide the total house value by 1,000 and then multiply it by the property tax rate.

For example:

House Value = \$323,000

Tax Rate = 9.41

$\$323,000 / 1,000 = 323$

$323 \times 9.41 = \mathbf{\$3,039.43}$

Fiscal Impact:

\$934,618.19 estimated revenue in the General Fund.

Recommendation:

Adopt Ordinance 2024-17 authorizing a 2025 tax levy estimated at \$934,618.19, a 1% increase from 2024

Alternatives:

Do not increase the levy by 1%.