

# 2021 PROPERTY TAX LEVY

**PUBLIC HEARING**

**NOVEMBER 4, 2020**





- Statutory limit of 1% of full, fair market value - \$10.00 per \$1,000 of assessed value
- Levy rate per \$1,000 of assessed value
  - State \$3.60
  - Local Districts 5.90 Includes senior & junior districts
  - Other 0.50
  - Total \$10.00
- Senior Taxing Districts:
  - Counties regular levy
  - County Road District
  - Cities
  - The following are considered Senior Taxing Districts and are not subject to the \$5.90 limit but are subject to the 1% or \$10.00 limit
    - Public Utility Districts
    - Port Districts



## City of Port Angeles levy limit:

■ Regular limit	\$3.163 per \$1,000 of assessed value
■ Fire Pension	\$0.225
■ Total COPA Levy Limit	\$3.388
■ 2020 Levy	\$2.298
■ Available Regular Capacity	\$1.090
■ 2021 Levy est.	\$2.210
■ Available Regular Capacity est.	\$1.178



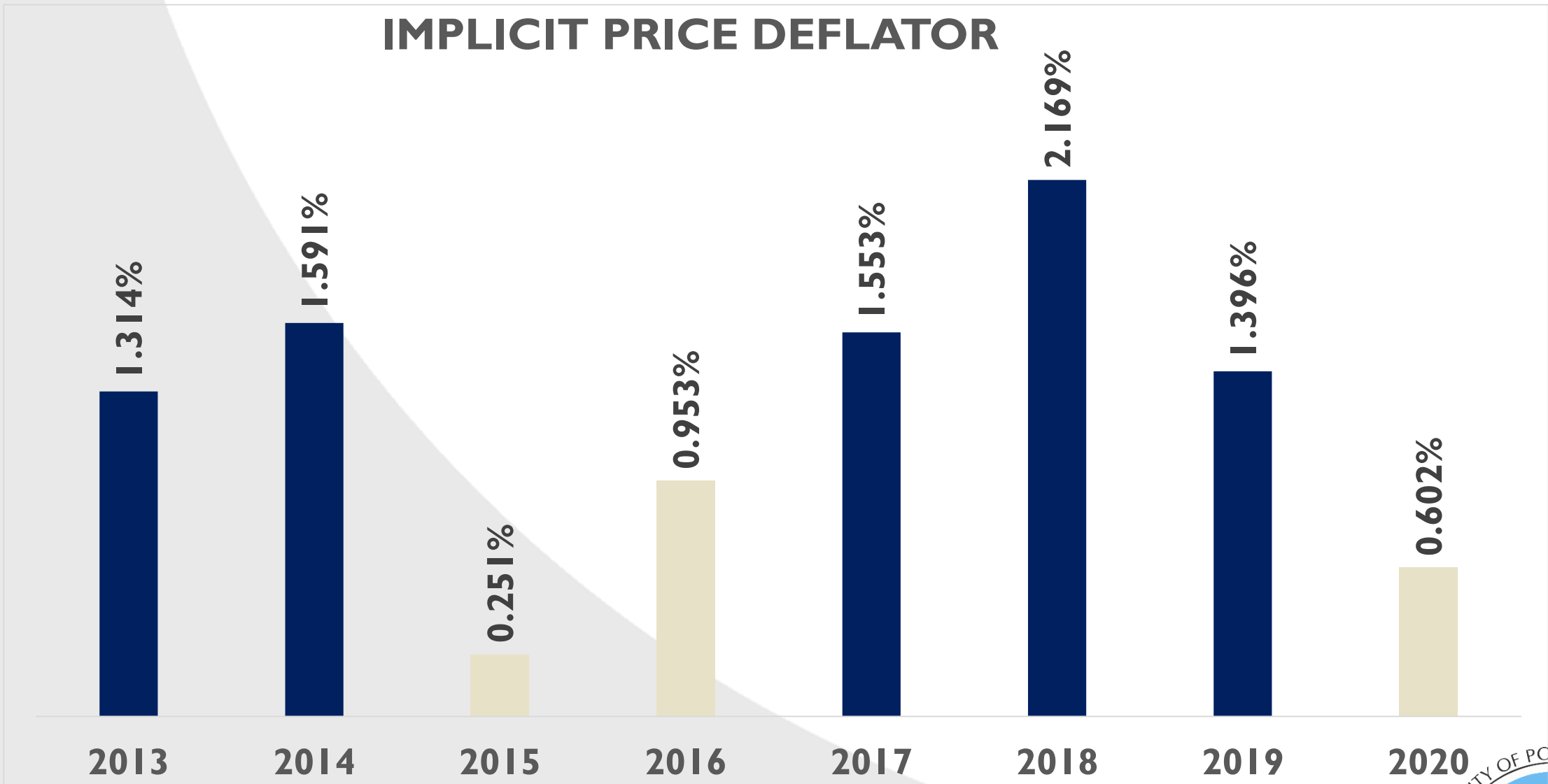
State law allows for a property tax increase up to the Implicit Price Deflator (IPD) or one percent, whichever is lower.

- Implicit Price Deflator for Personal Consumption Expenditures published by the Bureau of Economic Analysis
- Used to determine the inflation in the economy
- Current IPD is 0.602%
- In year's when the IPD falls below 1.0% it is necessary for a resolution declaring substantial need to be passed by Council in order to levy an increase of the full allowable 1.0%

A 1% increase is directed in Section 2.13 of the City's Financial Policies.



### IMPLICIT PRICE DEFLATOR



**2021 PROPERTY TAX LEVY – NOVEMBER 4, 2020**



## Value of a 1% Increase in 2021.

- 1% increase = \$47,300 estimate

## Value of New Construction

- Assessed value = \$9,920,709
- Tax value = \$22,800
  - Taxes from New Construction are not tied to or included in the 1% increase.

The City also receives amounts for increases in State property assessed valuation, refunds and improvements to properties.



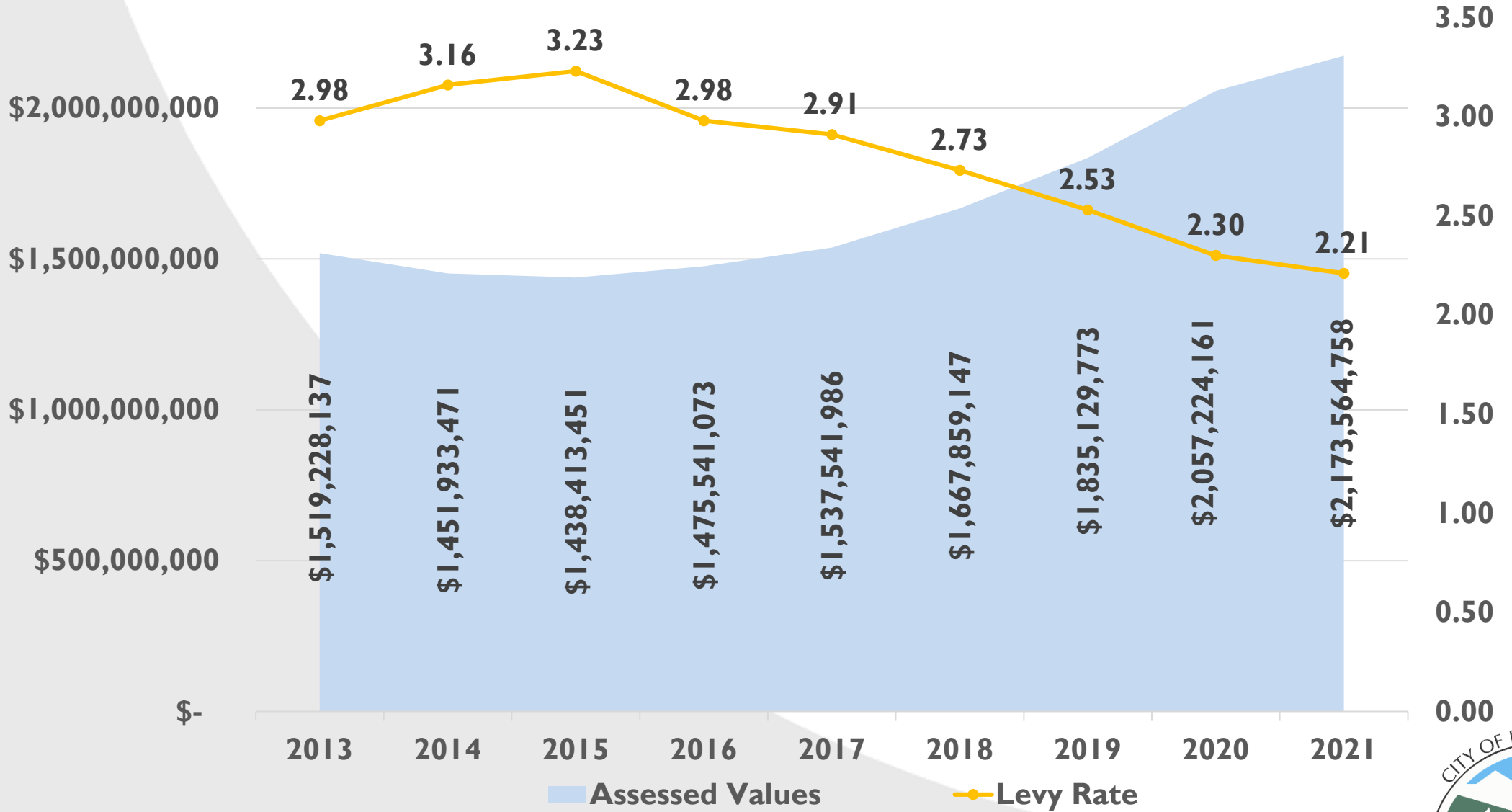
**VALUE OF 1%**



**2021 PROPERTY TAX LEVY – NOVEMBER 4, 2020**



ASSESSED VALUES & LEVY RATES



The average change in assessed value from 2020 to 2021 is 5.7%

2021 PROPERTY TAX LEVY - NOVEMBER 4, 2020





<b>TAX YEAR</b>	<b>REGULAR LEVY</b>	<b>TAXES ON A \$200,000 HOME</b>	<b>TAXES ON A \$250,000 HOME</b>	<b>TAXES ON A \$300,000 HOME</b>
2016	2.98	\$ 447.00	\$ 596.00	\$ 745.00
2017	2.91	\$ 582.00	\$ 727.50	\$ 873.00
2018	2.73	\$ 546.00	\$ 682.50	\$ 819.00
2019	2.53	\$ 506.00	\$ 632.50	\$ 759.00
2020	2.30	\$ 460.00	\$ 575.00	\$ 690.00
2021	2.21	\$ 442.00	\$ 552.50	\$ 663.00

Includes City of Port Angeles Property Tax only.



264.3Assessed value  
per every  
\$1,0002.21The estimated  
2021 levy rate  
(includes the 1%  
increase)\$584.10The tax collected  
in 2020 was  
\$575.00. This  
means the  
increase in 2021  
will be **\$9.10**

A \$250,000 home in 2020 with the average assessed value increase of **5.7%** would be worth \$264,250 in 2021.



The 1% property tax increase proposed is the only increase included in the 2021 Budget.

- Utility rates remain the same as 2020
  - No proposed increases to the Water or Wastewater rates for 2021 – 2022
  - Electric Utility rates were previously adopted for 2021 and are expected to remain flat for the majority of customers with base rates going up slightly and usage rates going down.
    - Some customers with high consumption may see a small increase.
  - All other rates have been approved with no increase for 2021





2021 Property Tax 2<sup>nd</sup> Public Hearing & Adoption of Ordinance. 2020 Budget Presentation, Public Hearing & 1<sup>st</sup> Reading of Ordinance



2021 Budget Public Hearing Continuation & 2<sup>nd</sup> Reading of Ordinance





- Questions from Council
- Conduct the first reading of the 2020 Property Tax levy for 2021 Collection Ordinance.
  - Open the Public Hearing
  - Continue the Public Hearing to November 17<sup>th</sup>
- Conduct the reading of the Substantial Need Resolution.
  - Adopt Resolution

