



2026 Ad Valorem Tax Public Hearing

City Council Meeting
November 10, 2025

Property Tax Overview

- Property tax is a “budget based” tax.
 - Collection amounts are established as part of the budget process.
 - Within the limitations of state law, the entity can choose the level of revenue generation.
 - The County Assessor Office is singularly responsible for valuing property wholly within county boundaries.
 - The Department of Revenue values intercounty properties (along with interstate and foreign utility companies).
 - For tax purposes, property tax is assessed on its value on January 1 of the assessment year. The taxes payable on the assessment year are paid the following calendar year.

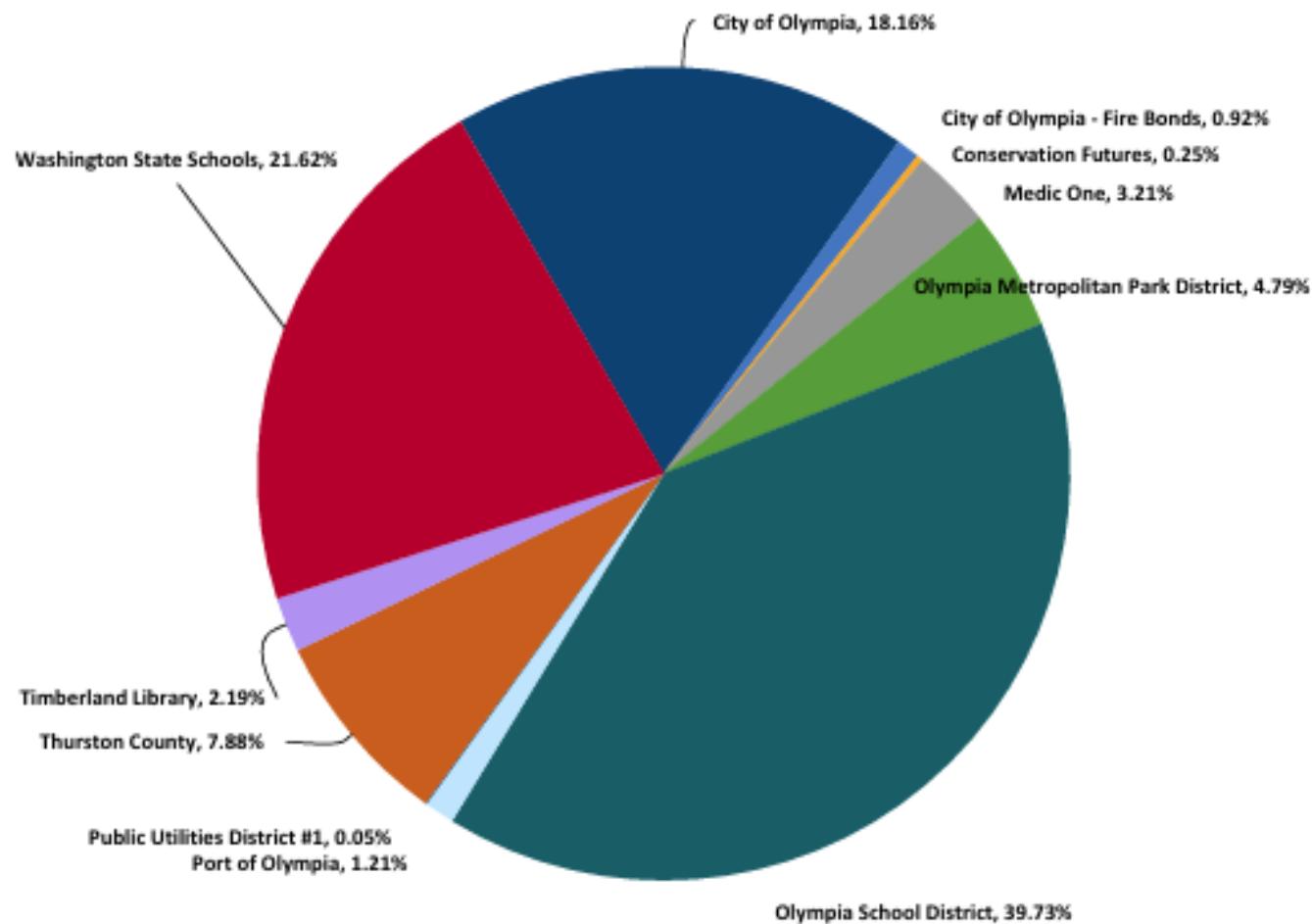
Property Tax Overview

- The valuation work performed by the County Assessor includes Real and Personal Property. Generally, for the purpose of taxation:
 - Personal property is anything you can move and is subject to ownership (e.g. boats, mobile homes, timber, and items not affixed to real estate but used for the purpose of doing business).
 - Real property is land, buildings, structures, or improvements that are permanently fixed in location.
- Once the Assessor has assessed the value of property and the taxing district has stated its revenue need, the rate based on \$1,000 of AV can be calculated.
 - $\text{Levy amount (district revenue)} / \text{AV} \times 1,000 = \text{levy rate (per 1,000 of AV)}$

Quick Reminder on Limitations

- State law limits growth on property tax revenue for a district to 1% or the Implicit Price Deflator (IPD), whichever is less.
 - IPD for 2026 is 2.44%.
 - New construction, changes in state assessed property, and refunds are not constrained to the 1% limitation (but cannot lift the levy rate above *statutory maximum*)
- Statutory maximum:
 - \$3.60– City base rate
 - (\$0.50)– Library District
 - \$0.225– PreLEOFF Firefighters Pension Fund
 - \$3.325– Statutory maximum

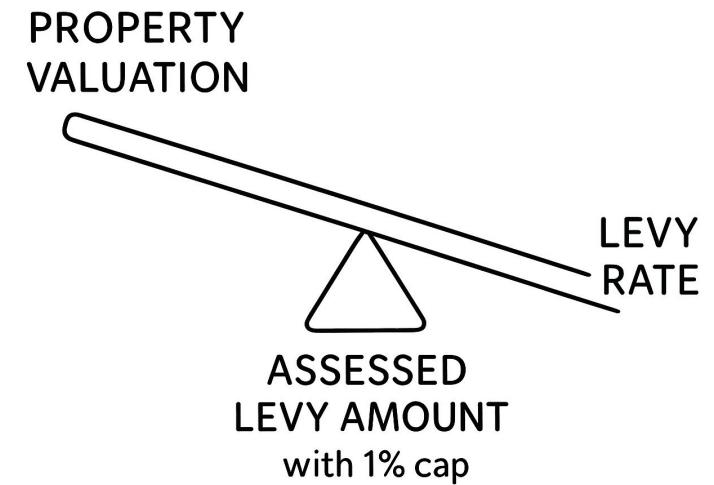
Property Tax Distribution (generally)



AV and Levy Rate

- Property tax is based on a Levy rate per \$1,000 of Assessed Valuation (AV).
 - The responsibility of determining AV rests with the County Assessor.
- Levy rate = revenue / AV x 1,000
- As assessed values increase, the rate levied decreases. The same is true that as assessed values decrease, the rate levied increases:

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>
Assessed Valuation	\$ 1,000,000,000	\$ 1,300,000,000	\$ 1,600,000,000	\$ 1,500,000,000
District Revenue	\$ 1,000,000	\$ 1,010,000	\$ 1,020,100	\$ 1,030,301
Calculated Levy Rate	\$ 1.00	\$ 0.78	\$ 0.64	\$ 0.69



2025 Levy for 2026 Collections

CITY REGULAR HIGHEST LAWFUL LEVY FOR 2026 COLLECTIONS	
Assessed Value (AV) for collections in 2026	\$ 11,958,120,711.00
2025 Highest Lawful Levy for 2026 Collections	\$ 20,990,254.39
Previous Year Actual Levy	\$ 21,842,451.98
Limit Factor of 1% on Highest Lawful Levy	\$ 21,200,156.93
<i>Dollar Increase from Last Year District Levy</i>	\$ -
<i>Percent Increase from Last Year District Levy</i>	0.00000000%
Levy Rate to estimated AV excluding add-ons	\$ 1.77287
Legally allowed add-ons in addition to the 1% statutory limit	
New Construction	\$ 164,718.76
<i>State Assessed Property (Estimate)</i>	\$ -
Refund Levy	\$ 438,725.31
<i>Total legally allowed add-ons</i>	\$ 603,444.07
<i>District Levy for Collections in 2025</i>	\$ 21,803,601.00
Levy Rate to estimated AV including add-ons	\$ 1.82333

2026 Impact to the Property Owner

Assessed Valuation	\$ 300,000	\$ 400,000	\$ 500,000	\$ 600,000
Est. Regular Levy Rate	1.82	1.82	1.82	1.82
Est. Taxes Due	\$ 547.00	\$ 729.33	\$ 911.67	\$ 1,094.00
Est. Excess Levy Rate	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09
Est. Taxes Due	27.32	36.42	45.53	54.63
Est. Total Taxes Due	\$ 574.32	\$ 765.76	\$ 957.19	\$ 1,148.63
Est. OMPD Levy Rate	\$ 0.48	\$ 0.48	\$ 0.48	\$ 0.48
Est. Taxes Due	144.51	192.68	240.85	289.02
Est. Grand Total	\$ 718.83	\$ 958.43	\$ 1,198.04	\$ 1,437.65

Questions?