

WHAT IS THE PORT PROPOSING?

The Port is considering whether to increase its regular tax levy rate to 45 cents per \$1,000 of assessed value to partially replace the tax revenue lost with the expiration of its IDD levy in 2012.

WHAT IS A TAX LEVY?

In Washington State, special-purpose districts such as ports, schools, fire departments, and others are commonly funded through a tax levied on the assessed value of the property owned within the geographic boundaries of the district. The tax (or levy) rate is commonly expressed in cents per thousand dollars of assessed value (e.g. 20 cents per \$1,000). For example, at a rate of 10 cents per \$1,000, a person owning property worth \$200,000 would pay \$20 for that year.

WHAT IS A LEVY LID LIFT?

State law prohibits the amount of tax levied in any given year from exceeding the highest amount collected in the previous three years plus one percent...the levy "lid" or "cap" (RCW 84.55.005). In any year in which property values grow above 1%, the tax rate is effectively decreased. A levy lid lift increases the tax rate and is often used to address the long-term decline of a tax rate due to the 1% cap. In this case, it would replace most (but not all) of the revenue lost when the IDD levy expired.

HOW MUCH PORT TAX DID I PAY BEFORE?

In 2012, the Port's combined (regular + IDD) tax rate equaled 52.129 cents per \$1,000 of assessed value. A person owning property with an assessed value of \$250,000 paid \$130.32.

HOW MUCH PORT TAX DO I PAY NOW?

The Port's tax rate for 2013 equals 17.103 cents per \$1,000 of assessed value. A person owning property with an assessed value of \$250,000 will pay \$42.76. The Port will receive approximately \$235,000 in total tax revenue in 2013.

HOW MUCH PORT TAX WOULD I PAY WITH THE NEW RATE?

If the levy lid lift is approved by the voters, the tax rate for 2014 would equal 45 cents per \$1,000 of assessed value. A person owning property with an assessed value of \$250,000 would pay \$112.50.

HOW DOES THAT COMPARE TO OTHER DISTRICTS?

The Port's current (2013) tax rate is the second lowest (the cemetery district rate is lower). The proposed levy lid lift would raise the rate to 45 cents per \$1,000 of assessed value making it the fourth lowest (three districts would have lower rates while 17 others would have higher rates).

WHERE DO MY PORT TAX DOLLARS GO?

All tax monies received by the Port are used to build new infrastructure, facilities, and amenities and to repair and improve those already constructed. Most recently, these funds have been used to prepare industrial property for development, make improvements to older buildings, conduct an environmental cleanup, and construct nearly 40,000 square feet of industrial space.

WOULD THE NEW RATE BE PERMANENT?

No. The levy lid lift would be in effect for six years (from 2014 through 2019) and would expire at the end of that time unless another lift was approved by the voters in 2018.

WHAT IF THE LEVY LID LIFT FAILS?

The Port Commission will continue to operate under its current budget constraints. Future and uncompleted projects will remain scaled back, delayed, or postponed without the additional funding. In addition, non-revenue-generating projects will be largely suspended to preserve funds for improvements that will result in future income streams.