Thurston County Treasurer

Maintain the public's trust by managing their funds with integrity while utilizing best professional practices to provide excellent customer service with a staff that is responsive, knowledgeable, efficient, and courteous

1

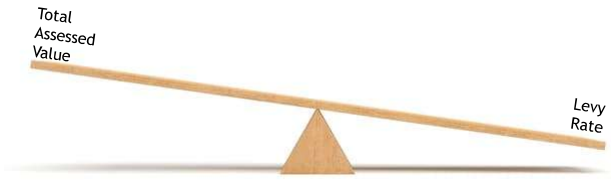
Let's Review



- The amount of property tax levied is determined by the budget needs of each tax district.
  - The legislative authority of each tax district determines the budget of the district for the following year based on public expectations, desired service levels, and operational needs.
  - In addition to approving the budget, the legislative authority must authorize the levy of property taxes each budget cycle.

2

- The portion of the budget to be derived from property taxes is applied to the taxable assessed value within the boundaries of the tax district to determine the levy rate.
  - The Port of Olympia's district boundaries comprise all of Thurston County.
  - The budget determines the levy rate, not the other way around.
- As total taxable assessed value within the district boundaries increases, levy rates tend to decrease and vice versa.
- The assessed value of your property does not determine your taxes; it determines your share of a tax district budget.



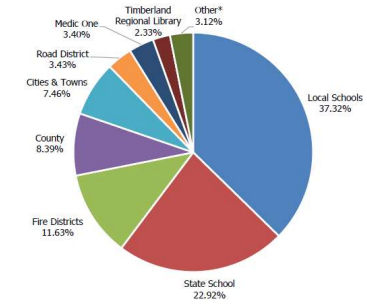
3

Levy Rates Depend on Amount of Revenue

Revenue / Assessed Value = Levy Rate

- $8,210,033 / $66,383,581,952 = $0.123675662545*
  - Levy Rate = $0.123675662545 per $1,000 assessed value
    - This levy will be added to all other levies within a tax code area to determine the total levy rate for that area.

*Dollar amounts are for taxes collected in 2026



* Includes Park Districts (1.46%), Port of Olympia (1.29%), Conservation Futures (0.27%), P.U.D. #1 (0.06%), and Cemetery Districts (0.04%)

2025 Revenue Distribution

4

Base Year

- Budget = $5,000,000
- Taxable Assessed Value = $30,000,000,000
- Levy Rate Calculation
  - $5,000,000/$30,000,000,000 =$0.16667/$1,000
  - In Washington State, levy rates are expressed as a rate per $1,000 of assessed value. So, for the calculation above, we say 0.16667 dollars per $1,000 of assessed value.



5

Following Year, Scenario A

- In this year, the district elects to increase their revenue at the 1% limit, but assessed values remain the same.
  - Budget = $5,000,000 + $50,000 (1%) = $5,050,000
  - Taxable Assessed Value = $30,000,000,000
- Levy Rate
  - $5,050,000/$30,000,000,000 = $0.16833/$1,000
- Notice that the levy rate is slightly higher than last year. This is because the budget increased, but the assessed values remained the same.



6

Following Year, Scenario B

- In this year, the district elects to increase their revenue at the 1% limit, and assessed values increased 5%.
  - Budget = $5,000,000 + $50,000 (1%) = $5,050,000
  - Taxable Assessed Value =

  $30,000,000,000 + $1,500,000,000 =$31,500,000,000
- Levy Rate
  - $5,050,000/$31,500,000,000 = $0.16032/$1,000
- Notice that the levy rate is lower in this scenario, even though the revenue level was increased. This is due to the offset from the increased assessed values.
- The most likely scenario from one year to the next is that both the budget and the assessed values will change.



7

Second Following Year (Using Scenario B)

- In this year, the district elects to increase their revenue at the 1% limit for a consecutive time, and assessed values increased 7% over the previous year.
  - Budget = $5,050,000 + $50,500 (1%) = $5,100,500
  - Taxable Assessed Value =

  $31,500,000,000 + $2,205,000,000 = $33,705,000,000
- Levy Rate
  - $5,100,500/33,705,000,000 = $0.15133/$1,000
- The levy rate is significantly lower, again due to the offset of the increased assessed values.



8

Revenue from New Construction

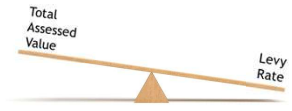
- In addition to the 1% increase to revenue, the Port of Olympia levy will be applied to any added value from new construction that has occurred within the district.
- The new revenue becomes part of the base revenue for the following year.



9

Levies and Revenue

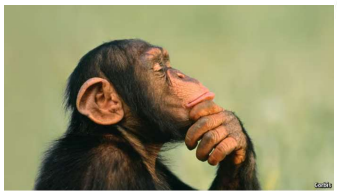
- Generally speaking, levy rates tend to rise and fall in opposite correlation with assessed values.
  - So, a corollary wisdom is that as assessed values fall, levy rates tend to rise
  - Since 1986, the average total levy rate in Thurston County has been as low as $9.50/$1,000 and as high as $18.00/$1,000.
    - For 2026, the total average levy rate is about $9.83/$1,000



10

Considerations for the 1% Limit

- Current revenue needs
  - Levy capacity can be banked to future years.
  - Potential loss of investment interest if the 1% is not taken.
- General economy
  - Is the economy moving up or down?
  - Recent and current inflation.
  - Inflation forecast.
- It is possible to exceed the 1% limit by asking the voters to pass a levy lid lift.



11

Questions



12