



# PROPERTY TAX

SEPTEMBER 15, 2025  
REGULAR COUNCIL MEETING

PRESENTED BY: DANIELLE INGHAM, FINANCE DIRECTOR

# TOPICS TO BE DISCUSSED

GENERAL INTRODUCTION TO PROPERTY TAXES



COMPARISON OF TAXING ENTITIES



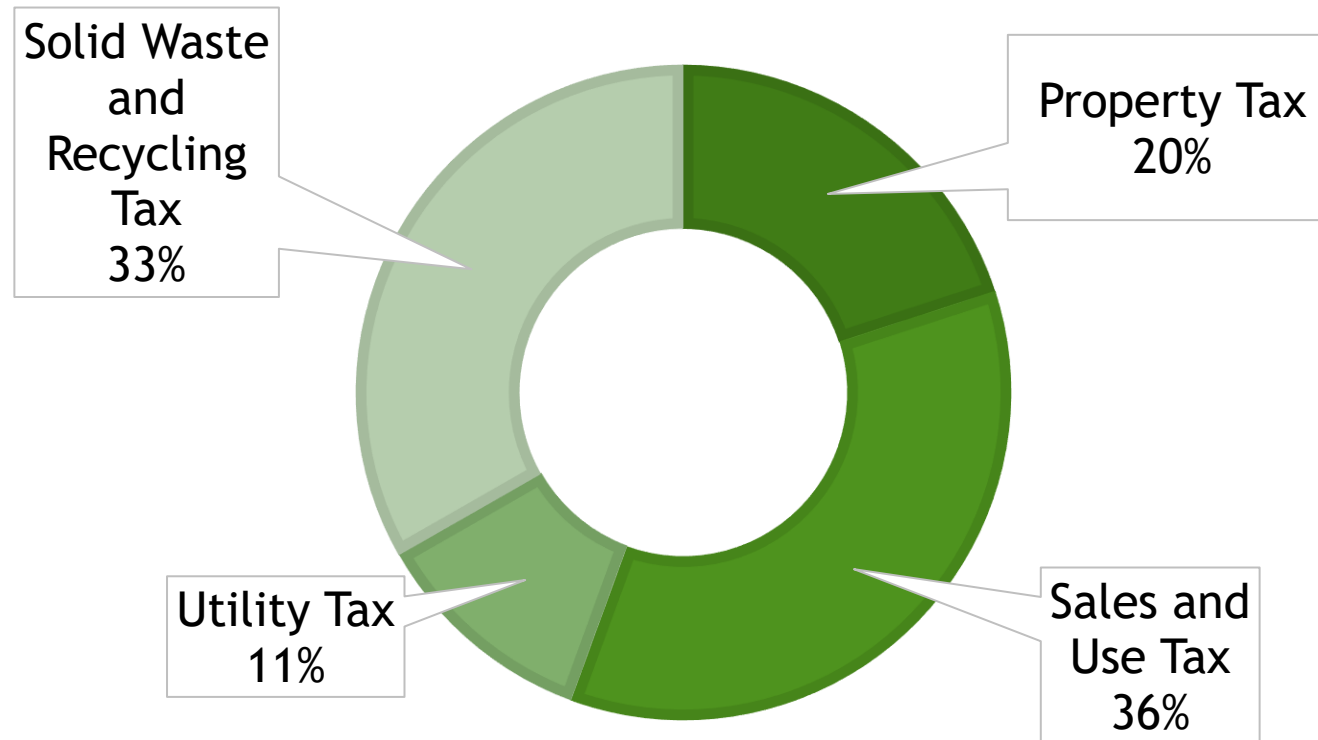
1% ANNUAL INCREASE AND HIGHEST LAWFUL  
LEVY (HLLA)



BANKED/UNUSED CAPACITY

# GENERAL FUND TAX REVEUEUES

2024 (LAST FULL YEAR) REVENUES SHOWN



- REPRESENTS 54% OF THE OVERALL GENERAL FUND REVENUES

# WHAT DO PROPERTY TAXES PAY FOR?

- PUBLIC SAFETY
- STAFF SALARIES
- PARKS
- GENERAL FUND O&M FOR CITY SERVICES

# GENERAL INTRODUCTION



- ▶ PROPERTY TAX IS A CORE REVENUE FOR THE GENERAL FUND
- ▶ CITY OF FERNDALE IS LIMITED TO TAKING 1% OVER LAST YEAR
- ▶ MAIN COMPONENTS OF PROPERTY TAX ARE
  - LEVY AMOUNT - set by City action
  - ASSESSED VALUE (AV)- set by WC Assessor
  - LEVY RATE - calculated per \$1000 of AV
- ▶  $\text{LEVY AMOUNT} / \text{ASSESSED VALUE} = \text{LEVY RATE (per \$1000 AV)}$
- ▶ COUNCIL ACTION- NOVEMBER 17<sup>TH</sup> (PUBLIC HEARING)
- ▶ BY NOVEMBER 30<sup>TH</sup> OF EACH YEAR, A SIGNED ORDINANCE AND LEVY CERTIFICATE MUST BE SENT TO THE COUNTY

# DEFINITIONS

- ▶ HIGHEST LAWFUL LEVY (HLLA): THE HIGHEST LEVY THAT COULD BE LEVIED
  - ▶ HLLA IS LAST YEARS: \$3,160,388
  - ▶ THE CITY LEVIED NO INCREASE FOR 2025 (ZERO DOLLAR AND ZERO PERCENTAGE)
- ▶ LEVY LID: PROPERTY TAX IS LIMITED TO 1% OR THE IMPLICIT PRICE DEFLATOR (IPD), WHICHEVER IS LOWER
  - ▶ PROPERTY TAX WILL LIKELY BE LIMITED TO 1% FOR 2026
- ▶ LEVY AMOUNT: THE AMOUNT THE CITY WILL COLLECT THROUGH PROPERTY TAX
  - ▶ THE CITY LEVIED \$2,118,088 IN 2025
- ▶ BANKED CAPACITY: THE DIFFERENCE BETWEEN WHAT IS ACTUALLY IMPOSED AND THE HIGHEST LAWFUL LEVY (more detail to follow)
  - ▶ BANKED CAPACITY AS OF TODAY IS APPROX. \$1,050,000

## Levy Listing Within Tax Area - 2024

Tax Area Number: 0200

Tax District/Levy Code	Fund Number(s)	Levy Description	Full Levy	Senior Levy
<b>ST - WASHINGTON STATE</b>				
WA1	0000069500	STATE SCHOOL PART 1	1.5071435009	1.5071435009
WA2	0006950002	STATE SCHOOL PART 2	0.8108282856	0.0000000000
<b>COUNTY - WHATCOM COUNTY</b>				
WCCI	0000145100	CHILDRENS INITIATIVE	0.1681898915	0.0000000000
WCCE	0000003300	COUNTY CURRENT EXPENSE	0.5876517319	0.5876517319
WCDD	0000673200	COUNTY DEVELOPMENTAL DISABILITY	0.0124999999	0.0124999999
WCER	0000010904	COUNTY ELECTION RESERVE	0.0058528688	0.0058528688
WCCT	0000671300	COUNTY MENTAL HEALTH	0.0124999999	0.0124999999
WCVR	0000000114	COUNTY VETERANS RELIEF	0.0112500000	0.0112500000
<b>FLD - FLOOD CONTROL ZONE</b>				
FCZDL	0000169100	FLOOD CONTROL ZONE	0.1059224782	0.1059224782
<b>CEMETERY - CEMETERY #6</b>				
CEM006	0000000606	CEMETERY #6	0.0283962685	0.0283962685
<b>CONS - CONSERVATION FUTURES</b>				
CFL	0000017500	CONSERVATION FUTURES	0.0230520536	0.0230520536
<b>FIRE - FIRE #7</b>				
FD007BOND	0000070710	FIRE #7 2019-3 GO BOND	0.0327779683	0.0000000000
FD007EXP	0000000707	FIRE #7 EXPENSE FUND	0.7675036939	0.7675036939
<b>LIBRARY - RURAL LIBRARY</b>				
RLIBGEN	0000000671	RURAL LIBRARY	0.2585219245	0.2585219245
<b>PORT - PORT OF BELLINGHAM</b>				
PTGEN	0000067711	PORT OF BELLINGHAM GENERAL FUND	0.1139916840	0.1139916840
PTBOND	0000067713	PORT OF BELLINGHAM GO BOND	0.0137802545	0.0137802545
PTRDA	0006970106	PORT OF BELLINGHAM RDA	0.0001983539	0.0001983539
<b>CITY - CITY OF FERNDAL</b>				
FERNCE	0000069704	CITY OF FERNDAL CURRENT EXPENSE	0.5967367112	0.5967367112
FERN13BOND	0006970401	CITY OF FERNDAL LIBRARY BOND 13	0.0000000000	0.0000000000
SD502CP	0000068202	FERNDAL #502 CAPITAL PROJECTS	0.0000000000	0.0000000000
SD502B	0000068302	FERNDAL SCHOOL #502 BOND	0.7758442491	0.0000000000
SD502MO	0000068002	FERNDAL SCHOOL #502 ENRICHMENT	1.4382712805	0.0000000000
<b>EMS - WHATCOM COUNTY EMS</b>				
WCEMS	0000130100	WHATCOM COUNTY EMS	0.2208348495	0.2208348495
<b>Total:</b>			<b>7.4917480482</b>	<b>4.2658363732</b>

► THE CITY OF FERNDAL HAS MULTIPLE TAX CODE AREAS

► IN 2024 THE AVERAGE FERNDAL PROPERTY OWNER PAID \$7.49 PER \$1,000 AV ANNUALLY IN ALL PROPERTY TAXES COMBINED

► NOTE: THIS IS COMBINED, NOT JUST THE CITY PORTION



COUNTY  
10.6%

CONSERVATION  
FUTURES .3%

LIBRARY  
3.5%

FERNDALE SCHOOL  
DISTRICT: 29.6%

CITY  
8%



WASHINGTON STATE  
(SCHOOLS): 31%

FLOOD  
CONTROL:  
1.4%

CEMETERY .4%

FIRE  
DISTRICT  
10.7%

PORT  
1.7%

EMS  
2.9%



## CITIES

CITY	VALUATION	2024 LEVY	TAX		VALUATION	2025 LEVY	TAX
<b>BELLINGHAM</b>							
General Fund	\$22,732,091,382	0.7697721242	\$17,498,530.27		\$22,861,316,291	0.7827435998	\$17,894,549.01
Fire Pension	\$22,732,091,382	0.1251023693	\$2,843,838.49		\$22,861,316,291	0.1273021187	\$2,910,294.00
Greenways IV	\$22,732,091,382	0.0014478540	\$32,912.75		\$22,861,316,291	-	\$0.00
Greenways V	\$22,732,091,382	0.4107434711	\$9,337,058.12		\$22,861,316,291	0.4194199003	\$9,588,491.00
New What RDA LIFT	\$22,732,091,382	0.0032488278	\$73,852.65		\$22,861,316,291	0.0038698555	\$88,469.99
Affordable Housing	\$22,732,091,382	0.0594652598	\$1,351,769.72		\$22,861,316,291	0.0594366476	\$1,358,800.00
<b>Total</b>		<b>1.3697799062</b>	<b>\$31,137,962.00</b>			<b>1.3927721219</b>	<b>\$31,840,604.00</b>
<b>AFFORDABLE HOUSING</b>	\$22,732,091,382	<b>0.1180424597</b>	<b>\$2,683,351.98</b>		\$22,861,316,291	<b>0.1173816488</b>	<b>\$2,683,499.00</b>
<b>BLAINE</b>							
Current Expense	\$1,958,796,796	0.7416296386	\$1,351,769.72		\$2,039,106,834	0.7365243865	\$1,501,851.91
<b>Total</b>		<b>0.7416296386</b>	<b>\$1,351,769.72</b>			<b>0.7365243865</b>	<b>\$1,501,851.91</b>
<b>FERNDALE</b>							
Current Expense	\$3,384,654,001	0.6112294460	\$2,068,800.19		\$3,549,451,224	0.5967367112	\$2,118,087.85
<b>Total</b>		<b>0.6112294460</b>	<b>\$2,068,800.19</b>			<b>0.5967367112</b>	<b>\$2,118,087.85</b>
<b>LYNDEN</b>							
Current Expense	\$3,710,379,100	1.0567069144	\$3,920,783.25		\$3,833,967,411	1.0585819922	\$4,058,568.86
GO Bond	\$3,674,091,298	0.1471792495	\$540,750.00		\$3,774,617,656	0.0743519015	\$280,650.00
<b>Total</b>		<b>1.2038861639</b>	<b>\$4,461,533.25</b>			<b>1.1329338937</b>	<b>\$4,339,218.86</b>
<b>EVERSON</b>							
Current Expense	\$424,019,222	0.6546346382	\$277,577.67		\$448,455,914	0.6189631162	\$277,577.67
Street Fund	\$424,019,222	0.2182115461	\$92,525.89		\$448,455,914	0.2063210387	\$92,525.89
<b>Total</b>		<b>0.8728461843</b>	<b>\$370,103.56</b>			<b>0.8252841549</b>	<b>\$370,103.56</b>
<b>NOOKSACK</b>							
Current Expense	\$246,280,010	0.5366095689	\$132,156.21		\$263,741,830	0.4496780052	\$118,598.90
Street Fund	\$246,280,010	0.1780760850	\$43,856.58		\$263,741,830	0.2997853621	\$79,065.94
<b>Total</b>		<b>0.7146856539</b>	<b>\$176,012.79</b>			<b>0.7494633673</b>	<b>\$197,664.84</b>
<b>SUMAS</b>							
Current Expense	\$324,890,887	2.1056811298	\$684,116.61		\$361,866,479	1.8276152625	\$661,352.70
Street Fund	\$324,890,887	0.1656153563	\$53,806.92		\$361,866,479	0.1437450082	\$52,016.50
Cemetery Fund	\$324,890,887	0.0946373430	\$30,746.81		\$361,866,479	0.0821400205	\$29,723.72
<b>Total</b>		<b>2.3659338291</b>	<b>\$768,670.34</b>			<b>2.0535002912</b>	<b>\$743,092.92</b>

# WHAT DOES THAT MEAN FOR FERNDALE PROPERTY OWNERS?

- ▶ ASSESSED VALUES (AV) INCREASED TO \$3,549,451,244 IN 2025
- ▶ THE LEVY AMOUNT WAS \$2,118,087.85
- ▶  $\text{LEVY AMOUNT} / \text{AV} = \text{LEVY RATE (per \$1000)}$
- ▶  $\$2,118,087.85 / \$3,549,451,244 = .596$

# WHAT DOES THAT MEAN FOR PROPERTY OWNERS?- con't

- ▶ THE LEVY RATE DECREASED FROM .611 TO .596 IN 2025

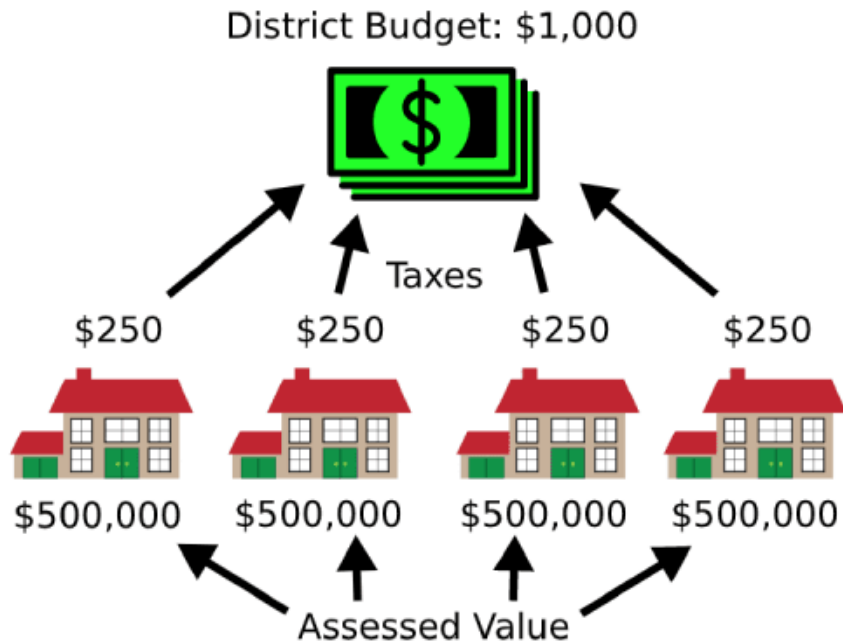
<b>FERNDAL</b>						
Current Expense	\$3,384,654,001	0.6112294460	\$2,068,800.19	\$3,549,451,224	0.5967367112	\$2,118,087.85
<b>Total</b>		<b>0.6112294460</b>	<b>\$2,068,800.19</b>		<b>0.5967367112</b>	<b>\$2,118,087.85</b>

- ▶ WHEN ASSESSED VALUES (AV) GO UP ↑ THE LEVY RATE GOES DOWN ↓

# ► PROPERTY TAX FORMULA

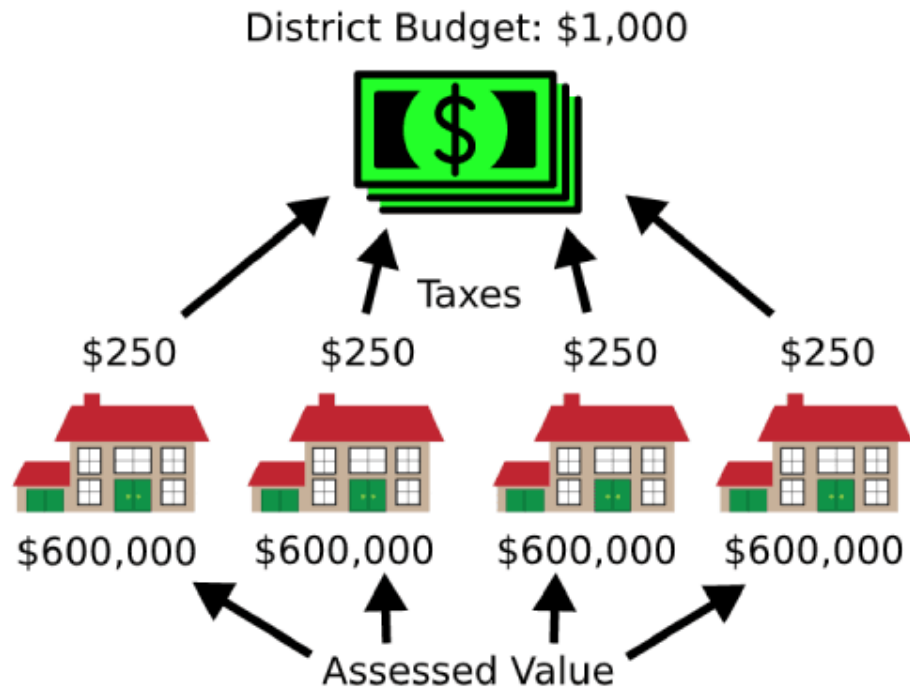
LEVY AMOUNT / ASSESSED VALUE = LEVY RATE

# EXAMPLES



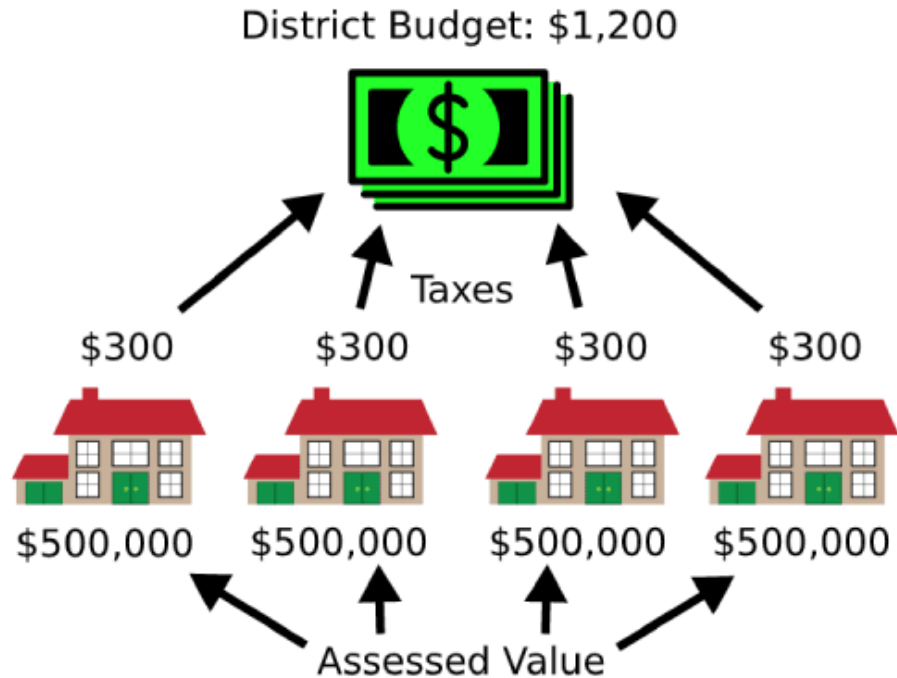
- ▶ CITY "A's" LEVY AMOUNT IS \$1,000
- ▶ TOTAL ASSESSED VALUE IS \$2,000,000 (\$500k x 4)
- ▶  $(\$1,000 / \$2,000,000) \times 1,000 = \$.50$  (LEVY RATE)
- ▶  $\$500 \times \$.50 = \$250$  (per household)

# EXAMPLES



- ▶ TOTAL ASSESSED VALUE HAS INCREASED TO \$2,400,000 ( $\$600k \times 4$ )
- ▶ THE LEVY RATE IS THE SAME ( $\$1,000 / \$2,400,000 \times 1,000 = \$.42$ )
- ▶  $\$600 \times \$.42 = \$250$  (per household)
- ▶ BY KEEPING THE LEVY AMOUNT THE SAME AND INCREASING THE AV, THE LEVY RATE DECREASED, BUT THE TAX AMOUNTS STAYED THE SAME

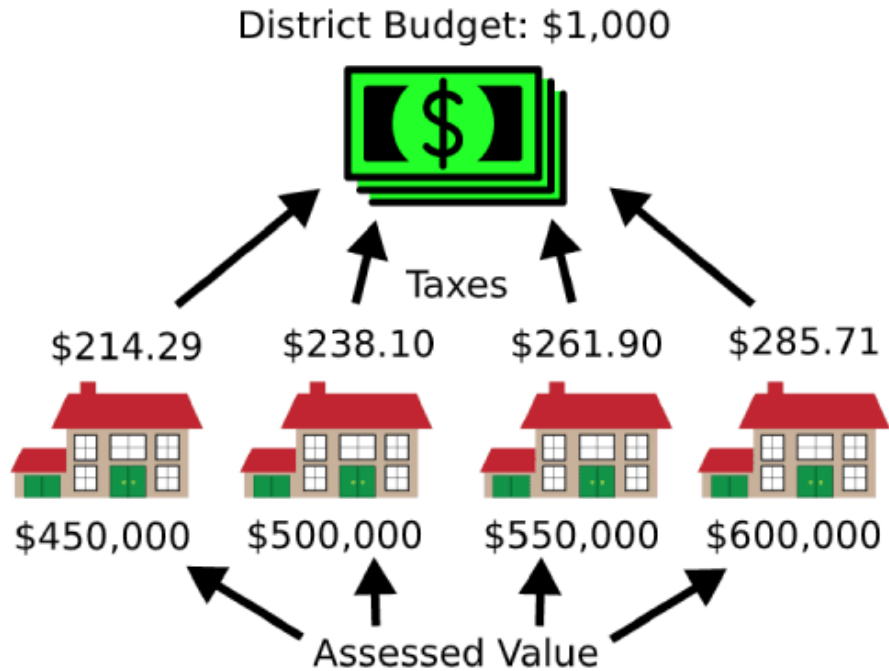
# EXAMPLES



- ▶ TOTAL ASSESSED VALUE IS BACK TO \$2,000,000 (\$500k x 4)
- ▶ THE LEVY RATE HAS INCREASED TO  $(\$1,200 / \$2,000,000) \times 1,000 = \$ .60$
- ▶  $\$500 \times \$ .60 = \$300$  (per household)
- ▶ BY INCREASING THE LEVY AMOUNT AND THE AV REMAINING UNCHANGED, THE LEVY RATE INCREASED, SO THE TAX AMOUNTS INCREASE



# FINAL EXAMPLE



- ▶ TOTAL ASSESSED VALUE HAS INCREASED \$2,100,000 (all different values)
- ▶ THE LEVY RATE HAS DECREASED TO  $(\$1,000 / \$2,100,000) \times 1,000 = \$0.48$
- ▶ \$0.48 IS THE LEVY RATE (per \$1000 AV)
  - ▶  $\$450,000 / \$1,000 = \$450 \times \$0.48 = \$214.29$
  - ▶  $\$500,000 / \$1,000 = \$500 \times \$0.48 = \$238.10$
  - ▶  $\$550,000 / \$1,000 = \$550 \times \$0.48 = \$261.90$
  - ▶  $\$600,000 / \$1,000 = \$600 \times \$0.48 = \$285.71$
- ▶ BY REDUCING THE LEVY AMOUNT AND THE AV CHANGING, THE LEVY RATE DECREASED
- ▶ DIFFERENT TAX AMOUNTS FOR DIFFERENT VALUED HOMES, BUT ONE UNIFORM LEVY RATE FOR EVERYONE

# BANKED CAPACITY- UNUSED

- ▶ BANKED CAPACITY: THE DIFFERENCE BETWEEN THE HLLA AND THE LEVY AMOUNT TAKEN
- ▶ CURRENT BANKED CAPACITY IS APPROXIMATELY \$1,050,000
- ▶ BANKED CAPACITY WILL INCREASE IF THE 1% IS NOT TAKEN