

2024 Fire Levy Rate Lid Lift FAQ

- The Northshore Fire Department (NFD) has diversified its primary revenue sources and receives nearly 90% of its revenue from the fire levy property tax and the fire benefit charge (FBC).
- The maximum allowable fire levy rate without the FBC is \$1.50/\$1,000 of a property's assessed valuation (AV). However, if a fire department has implemented a FBC the maximum rate is lowered to \$1.00.
- The NFD has had a FBC for over 25 years. The last time that the fire levy rate stood at \$1.00 was in 2013. Since then it has generally decreased, and the 2024 rate is \$.524.
- The revenue generated by the fire levy cannot increase by more than 1% each year by State law. In general, if AV increases by more than 1% in a given year, then the levy rate must decrease to result in only a 1% increase in revenue. However, if AV decreases then the levy rate can be raised to result in a 1% increase in revenues.
- The FBC also has limits as defined by State law. The FBC cannot exceed 60% of the operating budget for a given year. For 2024, the FBC is approaching the 60% threshold.
- The situation is that the fire levy revenues can increase at a maximum of 1% and because we are at nearly 60%, the FBC cannot take a bigger portion of the budget.
- The need for revenue increases for the NFD mostly follows CPI, which for the past 12 months ending in February was 4.3%. We will not know until the summer what the CPI will be for 2025, but if it is in that range then the available operational revenues will not be enough to cover cost increases.
- This situation is not a surprise as it has been known for the past 5-7 years, but the remedy of a fire levy lid lift has been delayed until now.
- The proposed ballot measure in August is to raise the fire levy rate by about \$.176, up to \$.70/\$1,000 of AV, but the FBC will also be reduced in connection with the increased levy. The 2025 budget will not be defined until this fall and will likely reflect an increase around CPI.
- The last time that the NFD asked for a fire levy rate increase was 20 years ago.
- The total equivalent levy rate (fire levy plus the equivalent rate from the FBC) has also generally decreased over the years and in 2024 is at a \$1.13 total rate.