MEASURE K UPDATE TO THE EMERGENCY SERVICES, ADVANCED LIFE SUPPORT, AND FIRE PROTECTION SPECIAL TAX

CITY COUNCIL

JULY 20, 2026

UPDATES UPON ELECTION

1. Applies tax to possessory interests
2. Changes indexing to CPI with a max of 3% and banked catch-up
3. No significant change in estimated revenue

IF A PARCEL GREATER THAN 500,000 SQUARE FEET BECOMES UNTAXABLE

1. New rates for the special tax
    - $0.254 per building square foot for developed residential and commercial properties
    - $0.110 per lot square foot for undeveloped parcels.
    - These rates will be indexed annually until such time as a parcel >500,000 sq. ft. becomes untaxable
2. Retains very low-income exemption/rebate of 100%
3. Adds in a 50% exemption/rebate for low-income homeowners/renters
4. Estimated $500,000 increase in annual revenue

QUESTIONS?

INDEXING EXAMPLES

INCREASES TO TAX RATES BASED ON CONSUMER PRICE INDEX AND CAPPED 3%. AMOUNT ABOVE CAP BANKED FOR SUBSEQUENT YEARS

1. CPI for FY2027/28 is 3.45%
   - Updated rate is indexed at the cap of 3%
   - The amount above the cap, 0.45%, is banked
2. CPI for FY2028/29 is 3.15%
   - Updated rate indexed at the cap of 3%
   - The amount above the cap, 0.15%, is banked
3. CPI for FY2029/30 is 2.50%
   - Banked amounts from prior years bring the CPI up to the 3% cap
     - 0.60% CPI is banked, 0.50% is applied to current year
       - 0.45% from FY2027/28
       - 0.15% from 2028/29
   - Updated rate is indexed at the cap of 3%
   - 0.10% remains banked for use in subsequent years