

PROPERTY TAXES

How Does Island County General Fund Levy Compare with Other 39 Counties in the State?

Tax Rate

- – Lowest

Property Tax per Capita

- –Fourth from the bottom

Q: How does Island County's Assessment, Population and Current Expense Levy compare with other counties throughout the state?

Of the 39 counties in the State of Washington, Island County is ranked:

- Valuation:** •10th in total assessed value,
- Population:** •14th in total population / 5th most densely populated
- Total Levy:** •19th highest levy amount,
- Tax Per Capita:** •36th in property tax per capita, and
- Tax Rate:** •39th in tax rate.

The statutory limit for a county tax rate is \$1.80 per thousand of assessed value. Island County's rate was \$0.51376238 in 2010 and \$0.510168266 in 2011.

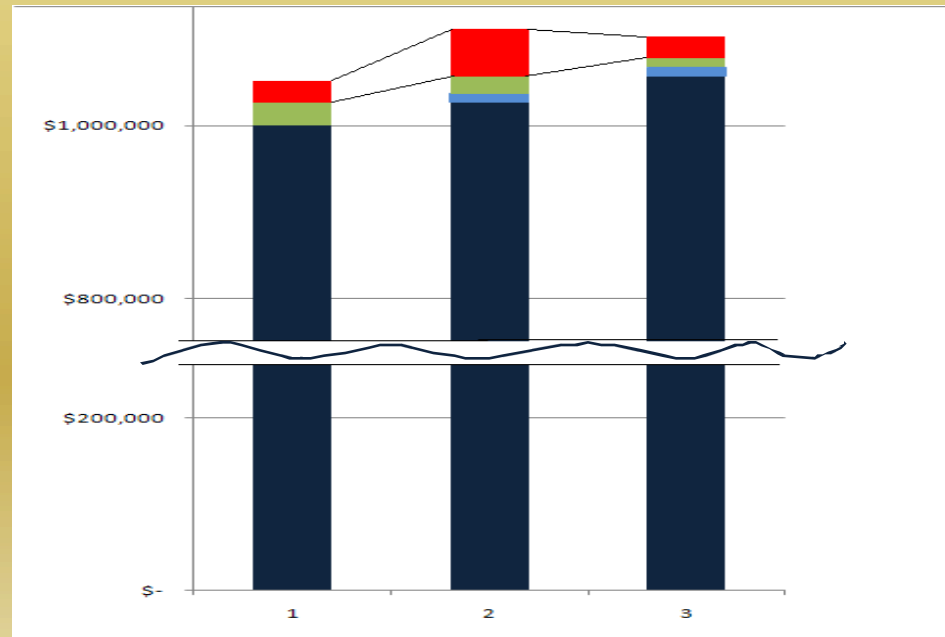
**So why did the Rate for the Island
County General Fund drop from
2010 to 2011?**

↓ Because the Property Tax Levy Went Down! ↓

How could the levy go down if we increased it by 1% and added to it for new construction?

- **No banked capacity**
- **Very little new construction**
- **Fewer Refunds**

Refunds – Represent uncollected taxes from the previous year.



What about counties with populations similar to Island County?

Island County is Conservative:

- Seven of the other eight counties with populations between 50,000 and 100,000 have total levies that are from \$1,000,000 to \$8,000,000 higher than Island County. Five of those seven counties have a smaller population than Island County.
- The two counties in the state that are closest in population to Island County (Lewis and Grant) have total levies that exceed Island County's levy by \$2,375,000 and \$3,882,861 respectively.

County General Levies with Populations Between 50,000 and 100,000

County	Population	Total Levy	Difference	Per-Capita
Walla Walla	59,200	7,061,202.00	(439,296.00)	119.27
Island	80,300	7,500,498.00	-	93.41
Mason	56,800	8,484,961.00	984,463.00	149.38
Grays Harbor	71,200	8,815,657.00	1,315,159.00	123.82
Clallam	69,500	9,217,839.00	1,717,341.00	132.63
Lewis	75,200	9,875,498.00	2,375,000.00	131.32
Chelan	72,600	10,203,508.00	2,703,010.00	140.54
Grant	86,100	11,383,359.00	3,882,861.00	132.21
Cowlitz	99,600	15,617,600.00	8,117,102.00	156.80

What are the primary causes of increases in property taxes?

1. Voter approved levies

2. New Construction and other additions or improvements to existing property

3. Exemptions

4. 1% Annual increase

5. Refunds

6. Property purchased by Government/Non-Profit

7. Destroyed Property

Are there any other factors that can cause an increase or decrease in an individual's property taxes?

YES!

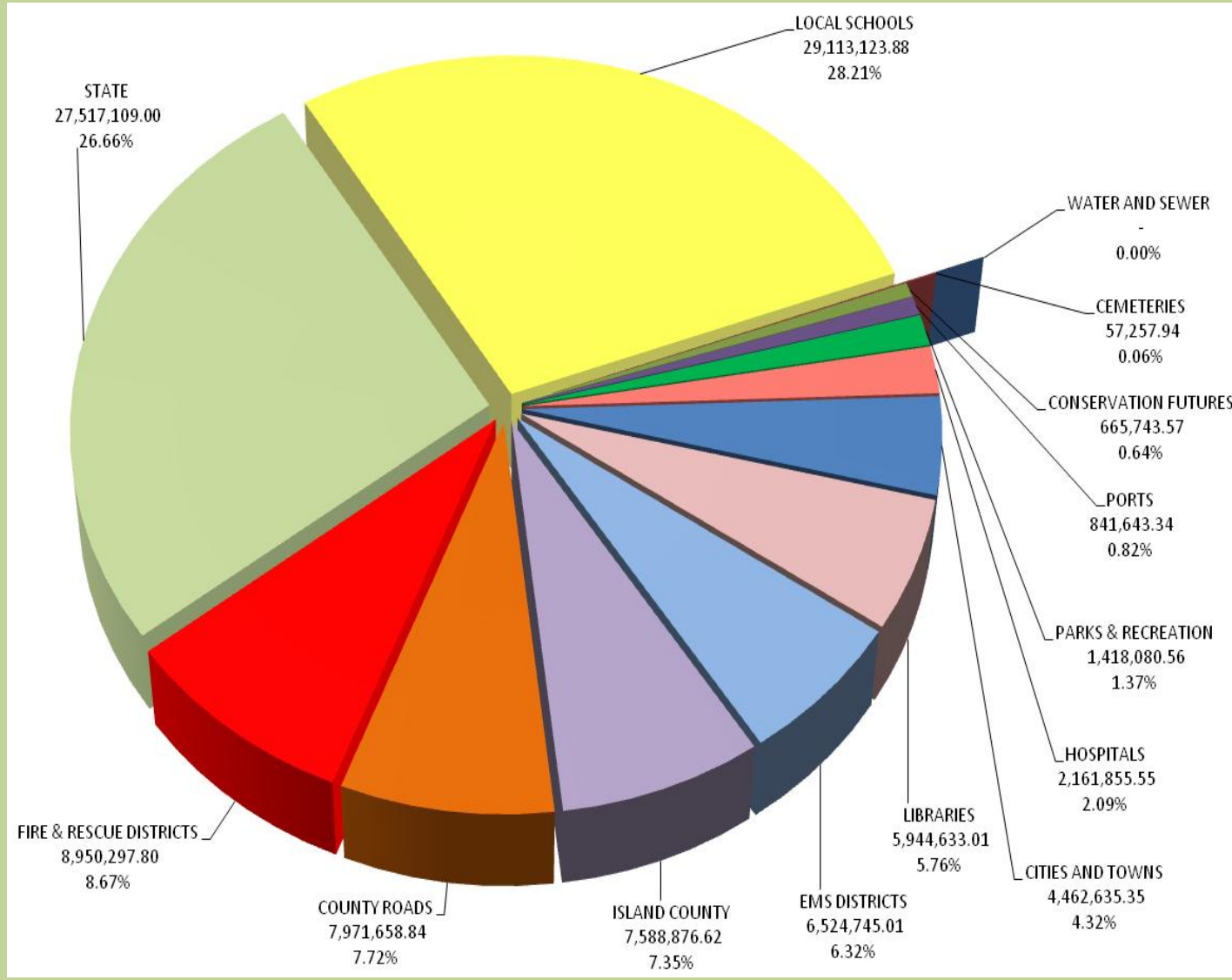
If an individual's value decreases less than average when values are declining or increases more than average when values are rising, they may experience a proportionately greater increase in their property taxes than the average taxpayer.

If an individual's value decreases more than average when values are declining or increases less than average when values are rising, they may experience a proportionately greater decrease in their property taxes than the average taxpayer.

Did the TOTAL property taxes to be collected
IN (NOT FOR) Island County increase or
decrease from 2010 to 2011?

 **DECREASED!** 

PROPERTY TAXES TO BE COLLECTED IN (NOT FOR) ISLAND COUNTY 2011



Total Property Tax 2011
\$ 103,217,660.47

Average Tax Rate: \$
7.9097083684/ \$1K

Note: All of the "STATE" Levy is for local schools in Washington.

Total Property Tax 2010
\$106,113,177.75

Average Tax Rate:
\$7.25357148/ \$1K

If TOTAL property taxes collected in Island County decreased, why do people seem to be complaining that their taxes went up?

Property taxes DID go up for many taxpayers because of the districts in which they live.

FOR EXAMPLE:

Oak Harbor paid off a bond that no longer has to be paid by taxpayers. Those taxpayers not in Oak Harbor do not pay that tax anyway, so it did not LOWER their property taxes.

The South Whidbey School District had two levies expire that would not LOWER taxes in other school districts.

And Only the few taxpayers with property located in the Clinton Water district would have benefitted this year when their bond matured and was paid in full last year

What other things should we know about property taxes?

- Property taxes are budget driven, not value driven.
- Property taxes are used almost exclusively by local governments throughout the world, from whom it is estimated 80% or more of our essential government services are received.
- Property taxes help hold the line to provide essential services in difficult times.
- Property taxes are regressive . . . Everyone pays the same tax rate, with the exception of those qualifying for specific exemptions.
- Property taxes only fund about a third of the county budget.
- The total amount of property taxes controlled by the Island County Commissioners tends to represent around 16% (plus or minus) of the total property taxes paid by Island County taxpayers.
- Island County Commissioners have no authority to limit the property taxes imposed by other districts, even if they do have the words “Island County” in their name.

Can Island County Taxpayers afford the current taxing levels?

- The ability to afford taxes, though not a constitutional or statutory consideration, is of great interest to both taxpayers and elected officials.
- The statistics show that the bulk of high-income earners reside in counties that contain the major population centers.
- Island County ranks slightly below the \$52,132 Median Household Income for the State of Washington.
- Island County is ranked 7th highest median household income (\$50,435) by county in the State of Washington.
- In 2009, the median household income by county ranged from \$33,083 in Ferry County to \$62,810 in King County.
- Only King, Snohomish, Kitsap, Thurston, San Juan, and Pierce Counties, in that order, had higher median household incomes than Island County.

Why do statistics presented to the Island County Commissioners by some citizens seem to indicate that Island County property taxes are significantly higher than most other counties in the state?

- Island County has more taxing districts than some other counties.
- Some taxing districts in Island County are significantly higher than similar districts in other counties, especially those with voted levies, thus the TOTAL property tax IN (NOT FOR)the county is higher per capita than most other counties in the state.
- Voted levies are a significantly larger portion of property taxes than the entire amount of property tax levied each year by the Board of Island County Commissioners, including roads and conservation futures.
- If the Island County Commissioner's wanted to reduce property taxes for the typical property owner by 20%, it would be impossible, even if they were to abolish the county's property taxes all together.

How can voted levies be reduced?

- **Time . . .** Many of these levies must expire or in the case of bonds, be paid off, before they can be reduced.
- **More conservative levy proposals** by districts seeking voted levies.
- **Voter restraint.** Historically, Island County voters have been reluctant to vote for levies to boost general government expenses to help sustain police protection or fire districts, but quick to vote for new stadiums and recreational facilities.

Thank You for your Patience!

- Remember . . . The Assessor is your FRIEND!

Check out our
website at

www.islandcounty.net/Assessor/



USS Whidbey Island LSD 41 – First of eight of the Whidbey Island Class of Ships.

THE END