



THURSTON COUNTY ASSESSOR'S OFFICE

2006 LEVIES & PROPERTY TAX FACT SHEET

Summary of Assessed Values and Levies

Property values continued to escalate in the market place during the past year. Consequently, the taxable value of property countywide in Thurston County has increased for the fifth consecutive year. From 2004 to the 2005 assessment year, the taxable value of property increased from \$17.3 billion to \$19.9 billion. This increase of \$2.6 billion is 15% higher than the previous year. This can be attributed to \$692 million in new construction (4%) and \$1.9 billion (11%) due to revaluation.

The active real estate market has also resulted in a lower property tax rate over the past several years. The average levy rate countywide decreased from \$13.11 per thousand of assessed value in 2005 to \$12.12 for the 2006 tax year.

Although the tax rate declined in most areas, the rate actually went up in a few areas of the county. This rate increase was the result of voters approving school maintenance and operation levies or giving taxing districts approval to increase their levy rates.

What is the overall increase in property taxes for 2006?

Total property tax to be billed in 2006 and then distributed to 42 taxing districts is \$241 million. This is an increase of \$14.4 million over 2005 property taxes.

[Click here to see breakdown of property taxes by taxing district.](#)

In general, what causes property taxes to go up or down?

Property tax increases are generally caused by a combination of factors. For instance, when taxing districts ask for more money (that is, increase their budgets), property owners will pay more tax. Most districts set their budgets by a vote of their legislative body that may authorize increases up to their statutory or levy rate limits. This usually results in increased taxes.

Taxes can also go up when voters approve excess levies for community services. Voters can approve a taxing districts request for excess levies for continuing operations or capital projects, such as school district maintenance and operation levies, building bonds, bonds for school buses, or bonds for fire trucks.

Taxes for an individual property owner may increase when the value of the property increases at rates faster than other properties in that particular area of the county. Taxes may also increase for an individual property owner when a new house is constructed on a previously vacant lot or when a property previously receiving an exemption (such as a senior/disabled person exemption program) is sold and becomes fully taxable.



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Property tax decreases may happen when taxing districts ask for less money or voters defeat excess levies, when a property qualifies for an exemption (senior or disabled citizens exemption, remodeling exemption), or when increases in value in some areas are less rapid than other areas.

What caused a \$14.4 million increase in taxes over the amount collected in 2005 tax year?

There are multiple reasons for the countywide increase in property tax collections, including:

1. ***Taxing Districts Increase Their Budgets as Permitted by Law*** – Taxing districts are allowed each year to increase their levy (budget from property taxes) by the lesser of 1% or inflation, plus an adjustment for new construction. For the 2006 tax year, most taxing districts increased their regular levy by 1% plus an adjustment for new construction.
2. ***New Construction*** – There was a record amount of new construction for the 2005 assessment year. Approximately \$692 million in new construction was listed and assessed for 2005; this is approximately \$138 million more than the prior year. New construction includes new homes, new subdivisions, commercial buildings, and remodeling activity.
3. ***Voter Approved Levies*** – Three taxing districts went to the voters in 2005 to request additional money in the form of “maintenance and operations” levies or “bond” levies. District voters passed two of the three levies. Maintenance & operation levies typically run for two to four years while bond levies generally run for an extended period such as 10 or 20 years.

Rochester School District passed a maintenance and operation levy that raised their total levy rate by \$2.66 per thousand dollars of assessed value. This action increased the aggregate levy rate for properties within the Rochester School District. This means that a home valued at \$200,000 will pay approximately \$532 more in tax in 2006 than in 2005 due to this levy. It is important to note that Rochester previously had a Maintenance & Operation Levy that ended in 2004.

Fire District 11 passed a bond levy that raised their total levy rate by 45 cents per thousand dollars of assessed value. This means that a home valued at \$200,000 will pay approximately \$90 more in tax in 2006 than in 2005 due to this levy.

School districts in Yelm, Tumwater, Olympia, Rainier, Griffin, Centralia, and Tenino as well as the Tanglewilde Park and Recreational District approved maintenance and operations levies in 2004 that was reflected in the 2005 taxes. Fire Districts 6 and 9 received approval from voters to levy for general obligation bonds in 2004; that increase was reflected in the 2005 taxes.



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4. ***Voter Approved Lid Lifts*** – Two Fire Districts went to the voters in 2005 to request a **lid lift** to their levy rate. However, only one passed.

Fire District 13 (Griffin/Steamboat Island) received voter approval to raise their levy rate to \$1.40 per thousand dollars of assessed value. Fire District 13's levy rate would have been \$0.89 without a lid lift. This means that a home valued at \$200,000 will pay approximately \$102 more in tax in 2006 due to voter approval of this levy lid lift.

Voters did not approve the lid lift requested by Fire District 2 (Yelm).

In 2004, multiple fire districts received voter approval to raise the levy above the existing rate; this lid lift was reflected in taxes paid in 2005. Fire districts #1 (Rochester/Grand Mound), #3 (Lacey), #5 (Black Lake), #7 (North Olympia), #8 (South Bay), #11 (Littlerock), #12 (Tenino), and #17 (Bald Hills) received this authority from the voters in 2004. Voters turned down lid lift requests made by Fire Districts #2 (Yelm), #4 (Rainier), and #13 (Griffin) in 2004.

5. ***Taxing Districts Use Banked Capacity*** – Banked capacity is where taxing districts do not levy (or ask) for the full amount of tax allowed by law and may use it for a subsequent year. For 2006 property taxes, the Town of Bucoda, City of Rainier, Public Utility District #1, Fire District 9, and the Port of Olympia used some of their banked capacity. This action allowing districts to request additional funds in the current year resulted in a tax increase to properties serviced by these districts. In some cases, the actual tax increase was minimal. The cities of Rainier and Olympia, Fire District #13, and Public Utility District #1 used some of their banked capacity for 2005 property taxes.

How do 2006 property tax bills generally compare to 2005 property tax bills?

Some taxpayers will pay more property tax and some will pay less in 2006. Approximately 30% will pay within \$25 of the amount of their 2005 property tax bill. About 23% will pay at least \$25 less than they did in 2005. In other words, about 53% will pay less or no more than \$25 more than the previous year. Property taxes for the remaining 47% of parcels will be at least \$25 more than the prior year.

The biggest impact of tax increases occurred in areas where voters passed new levies for school Maintenance & Operation levies or approved lid lifts for fire districts. In the Steamboat Island area, the lid lift approved by voters for Fire District 13 (Griffin) contributed to an increase in property taxes for approximately 53% of the properties in that tax area.

In South Thurston County, roughly 73% of the properties in the Rochester School District received tax increases in 2006. Passage of a Maintenance & Operations levy was the primary contributor to the increase. Also in South County, the bond levy passed for Fire District 11 contributed to the increase in property taxes for approximately 51% of the properties.