



2008 LEVIES & PROPERTY TAX FACT SHEET

Summary of Assessed Values and Levies

Fueled by an active real estate market, property values continued to escalate in the market place during the past year. The taxable value of property in Thurston County has increased for the sixth consecutive year. From 2006 to the 2007 assessment year, the taxable value of property grew from \$23.5 billion to \$28.8 billion. This increase of \$5.3 billion is 22.7% higher than the previous year and can be attributed to \$1.1 billion in new construction (4.7%) and \$4.2 billion (18%) due to revaluation.

There were 7 levy lid lifts for fire districts that were voted on in 2007. Lid lifts were approved for five fire districts: Fire Districts 2, 4, 8, 9, and 17. Lid lifts for Fire Districts 1 and 11 failed. The Rainier School District passed a General Obligations Bond - the only excess levy voted on in 2007.

Although voters approved additional taxes and taxing district budgets grew, rising property values helped lower property tax rates for another year. For the 2008 tax year, the average levy rate countywide decreased from \$11.20 per thousand of assessed value in 2007 to \$9.75. Over 41% of the property owners will pay less property tax than they paid in 2007.

What is the overall increase in property taxes for 2008?

Total property tax to be billed in 2008 and then distributed to 42 taxing districts is \$280.5 million. This is an increase of \$18.1 million over 2007 property taxes.

[Click here](#) to see a 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 often results in increased taxes.

Taxes can also go up when voters approve excess levies for community services. Voters can approve a taxing district's 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 go up when the value of the property rises 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.

1% Levy Limit The Legislature reinstated the 1% Levy Limit on Property Tax in a special session held in November 2007.

What caused a \$18.1 million increase in taxes over the amount collected in 2007 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*** – Each year taxing districts can legally increase their levy (budget from property taxes) by the lesser of 1% or inflation, plus an adjustment for new construction. For the 2008 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 2007 assessment year. Over \$1 billion in new construction was listed and assessed for 2007; this is about \$111.2 million more than the prior year. New construction includes new homes, new subdivisions, commercial buildings, and remodeling activity.
3. ***Excess (Voter Approved) Levies*** – Only one taxing district asked voters in 2007 to approve additional funds in a “bond” levy. Rainier School District passed a 20-year General Obligation Bond for \$8,045,000. *(See page 3 for impact to typical homeowner.)*
4. ***Voter Approved Lid Lifts*** – In 2007, seven Fire Districts went to the voters to request a **lid lift** to their levy rate. Five received voter approval: FD 2 (Yelm), FD 4 (Rainier), FD 8 (South Bay), FD 9 (McLane), and FD 17 (Bald Hills). *(See page 3 for impact to typical homeowner.)*

Two lid lifts failed in 2007: Voters turned down requests made by FD 1 (Rochester/Grand Mound) and FD 11 (Littlerock).
5. ***Taxing Districts Use Banked Capacity*** – Banked capacity is when 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 2008 property taxes, the City of Bucoda, the City of Rainier, Public Utility District 1, Cemetery District 1, Cemetery District 2, County Roads, Medic One, and Fire District 11 (Littlerock) used some of their banked capacity. This action that allows districts to request additional funds in the current year resulted in a tax increase to properties served by these districts. In these cases, the actual tax increase was minimal.



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How do 2008 property tax bills generally compare to 2007 property tax bills?

Some taxpayers will pay more property tax and some will pay less in 2008. More than half of the property owners will pay less or from just a few cents to \$50 more than they paid in 2007. Property taxes for the remaining 44% will be at least \$50 more than the prior year.

Eight taxing districts asked voters in 2007 to approve additional funds in the form of “bond” levies and Lid Lifts. District voters passed 6 of the 8 ballot levy measures:

Bond levies generally run for an extended period, such as 10 or 20 years.

Rainier School District #307 passed a new bond levy on May 15, 2007 that raised the Rainier School District total bond levy rate by 91 cents per thousand dollars of assessed value. This means that a home valued at \$200,000 will pay approximately \$182 more in tax in 2008 than in 2007.

Lid lifts are a permanent increase over the levy limit for a 6 year period.

Yelm Fire District 2 passed a 6 year permanent lid lift on August 21, 2007. For the 2008 tax year this is an increase of 67 cents per thousand dollars of assessed value. For a home valued at \$200,000, this represents an increase of \$134.

Fire District 4 - Rainier passed a 6 year permanent lid lift on August 21, 2007. For the 2008 tax year this is an increase of 90 cents per thousand dollars of assessed value. For a home valued at \$200,000, this represents an increase of \$180.

Fire District 8 - South Bay passed a 6 year permanent lid lift on November 6, 2007. For the 2008 tax year this is an increase of 52 cents per thousand dollars of assessed value. For a home valued at \$200,000, this represents an increase of \$104.

Fire District 9 - McLane passed a 6 year permanent lid lift on August 21, 2007. For the 2008 tax year this is an increase of 62 cents per thousand dollars of assessed value. For a home valued at \$200,000, this represents an increase of \$124.

Fire District 17 – Bald Hills passed a 6 year permanent lid lift on November 6, 2007. For the 2008 tax year this is an increase of 53 cents per thousand dollars of assessed value. For a home valued at \$200,000, this represents an increase of \$106.

For property taxes due in 2008, Rainier voters approved an additional \$362 in property taxes for a home valued at \$200,000. This includes passage of the Rainier School District bond levy at 91 cents per thousand dollars of assessed value and passage of the lid lift for Rainier Fire District 4 at 90 cents per thousand dollars of assessed value.