



2010 LEVIES & PROPERTY TAX FACT SHEET

Summary of 2009 Assessed Values and 2010 Levies

A continued slide in the residential market and moderation of price increases in the commercial real estate markets generally resulted in a decline in Thurston County's total taxable value. The taxable value of all property in Thurston County decreased from \$30.117 billion to \$29.249 billion for the 2009 assessment year. This was a decrease of \$868 million, or 3% less than the previous year.

There were 2 levy lid lifts for fire districts and one for Timberland Regional Library that were voted on in 2009. Voters approved lid lifts for both fire districts 6 and 7. However, the lid lift for Timberland Regional Library failed. Voters also approved a plan that combined Fire Districts 1 and 11 into the West Thurston Regional Fire Protection Service Authority. This vote gives approval for a levy of \$1.50 for tax year 2011 for this Service Authority. A proposal to create a fire authority between Yelm Fire District 2, Fire District 4, and the City of Yelm was defeated.

Actions by local voters and increasing taxing district budgets had an impact on county taxes overall. For the 2010 tax year, the average levy rate countywide increased from \$9.87 per thousand of assessed value in 2009 to \$10.42. This is the result of both a general drop in residential property values countywide and levy increases passed by the voters.

What is the overall increase in property taxes for 2010?

Total property tax to be billed in 2010 and then distributed to 42 taxing districts is almost \$305 million. This increase is about \$8 million over 2009 property taxes and is due to voter approved levies and/or increases initiated by taxing districts.

[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 a faster rate or declines at slower rate 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



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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.

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), when value increases in some areas are less rapid than increases in other areas, or when the value decrease for a property is greater than other properties.

What caused a \$7.9 million increase in taxes over the amount collected in 2009 tax year?

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

1. **Previous Years' Excess (Voter Approved) Levies** – Any outstanding excess levies voted in by the voters for prior years will have an impact to each succeeding year's levy collection until the obligation is completed.
2. **Voter Approved Lid Lifts** – In 2009, two Fire Districts and one regional library district went to the voters to request a **lid lift** to their levy rate. Two received voter approval: FD 6 (East Olympia) and FD 7 (North Olympia). The lid lift for Timberland Regional Library was defeated. In addition, the multi-year lid lifts approved in previous years is still responsible for part of the tax increase.
3. **New Construction** – There was less new construction for the 2009 assessment year, totalling \$509 million, down from \$754 million in 2008. New construction includes new homes, new subdivisions, commercial buildings, and remodeling activity.
4. **Taxing Districts Increase Their Budgets as Permitted by Law** – Each year taxing districts can legally increase their regular levy (budget from property taxes) by the lesser of 1% or inflation, plus an adjustment for new construction. For the 2010 tax year, most taxing districts increased their regular levy by 1% plus an adjustment for new construction.
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 2010 property taxes, the City of Yelm and the City of Lacey possessed a minimal amount of banked capacity that was used to set their levy. This action allows districts to request additional funds in the current year and resulted in a minimal tax increase for Yelm and Lacey for property tax collection in 2010.

How do 2010 property tax bills generally compare to 2009 property tax bills?

Some taxpayers will pay more property tax and some will pay less in 2010. About three-fourths of the property owners will pay less or from just a few cents to \$50 more than they paid in 2009. Property taxes for approximately 51% of the taxpayers will be less than the prior year.



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LEVIES APPROVED BY VOTERS IN 2009 THAT AFFECT 2010 TAXES

Eight taxing districts asked voters in 2009 to approve additional funds in the form of Lid Lifts and the Creation of Regional Fire Protection Service Authorities. District voters passed 3 of the 5 levy measures. The permanent lid lifts that passed were for a 6-year period and the creation of the regional fire authority will allow the districts to levy up to \$1.50 for tax year 2011.

Lid Lifts

Passed:

Fire District 6 had a 6-year permanent lid lift pass on August 18, 2009. For the 2010 tax year this is an increase of 28 cents per thousand dollars of assessed value. For a home valued at \$250,000, this represents an increase of \$70.

Fire District 7 had a 6-year permanent lid lift pass on November 3, 2009. For the 2010 tax year this is an increase of 38 cents per thousand dollars of assessed value. For a home valued at \$250,000, this represents an increase of \$95.

Did Not Pass:

Timberland Regional Library proposed a 1-year permanent lid lift on the February 3, 2009 ballot. This levy was defeated.

Creation of Regional Fire Protection Service Authorities

Passed:

Fire District 1 & Fire District 11 had a plan approved that combined the two districts into the West Thurston Regional Fire Protection Service Authority on August 18, 2009. This authority can levy up to \$1.50 per thousand for tax year 2011.

Did Not Pass:

Yelm Fire District 2, Fire District 4, and City of Yelm had a plan defeated on August 18, 2009 that would have combined the three districts into one Regional Fire Protection Service Authority. Yelm voters will have another opportunity to vote on this again in February 2010.