



# Property Taxes 101

# Property Taxes 101

- Topics to discuss
  - Definitions
  - Statistics about Kitsap County property taxes in general
  - The rules (laws) governing property tax levies
  - Examples of how the rules apply

# Property Taxes 101

- Definitions

- Assessed Value

- The value of a residential or commercial property and its improvements as set by the Kitsap County Assessor, by law, this is supposed to be 100% of market value

- Levy Rate or Tax Rate

- The amount of property tax paid per \$1,000 of assessed value

- Levy (or Tax Levy)

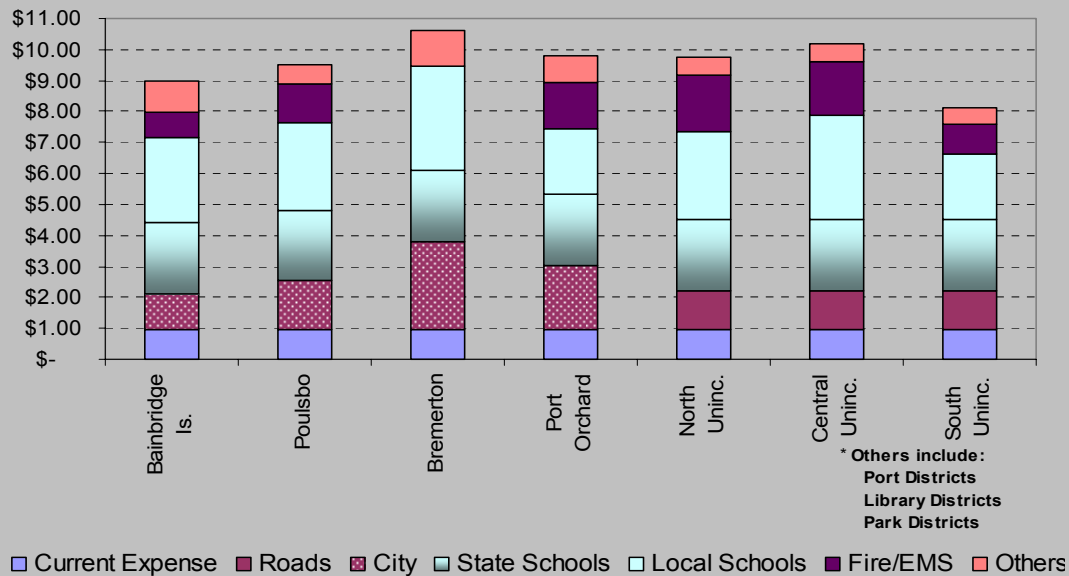
- The actual dollar amount paid by the tax payer

# Property Taxes 101 (Statistics)

- Take a typical home in Kitsap County and look at it in different ways
  - Tax rates in various areas of the county and why they might differ
  - Property Taxes paid in unincorporated areas
  - Property Taxes paid in incorporated areas

# Property Taxes 101 (Statistics)

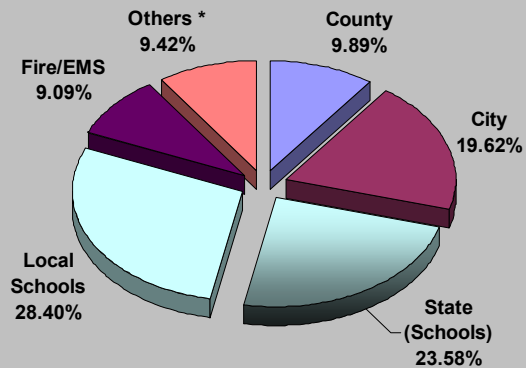
**Tax Rates by Area (per \$1,000 Assessed Value)**



# Property Taxes 101 (Statistics)

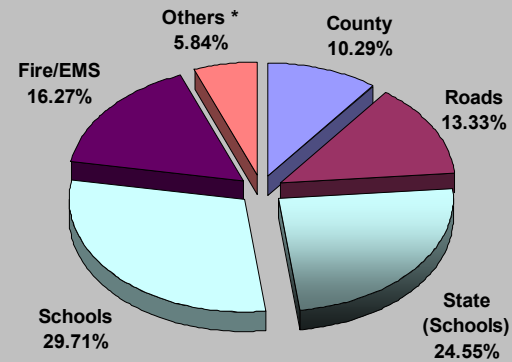
## Property Taxes Paid on the Average\* Value Home

**Incorporated Area (\$9.74)**  
Taxes on a \$281,996 Home = \$2,785



\* Others include:  
Port Districts  
Library Districts  
Park Districts

**Unincorporated (\$9.35)**  
Taxes on a \$281,702 Home = \$2,634



\* Others include:  
Port Districts  
Library Districts  
Park Districts

\* In this case, average value is the average of the median value for homes in incorporated and unincorporated Kitsap County

# Property Taxes 101 (Rules)

- The maximum rate a County can levy is \$1.80 for the Current Expense and \$2.25 for Roads
  - Current Expense Levy: \$0.9625 (Gen Fund, MH, VR, Cons. Futures)
  - Road Levy: \$1.2469
- Total Property Taxes levied can only increase by 1.0% from year to year plus an adjustment for new construction (Initiative 747)
  - Exceptions are the “voted” taxes like school district special levies (requiring a 60% majority) and “lid lifts”

# Property Taxes 101

- How property tax is calculated

$$\text{Tax} = (\text{Assessed Value}/\$1,000) \times \text{Tax Rate}$$

By using algebra, we can figure for the Tax Rate

$$\text{Tax Rate} = (\text{Tax} \times \$1,000)/\text{Assessed Value}$$

Example:

Given a residence with a value of \$300,000

Given a tax rate of \$9.733400 per \$1,000 of assessed value (NK Uninc)

$$\text{Tax} = \$300,000/\$1,000 \times \$9.733400 = 300 \times \$9.733400 = \$2,920.02$$

# Property Taxes 101

## Property Taxes on the Median Value home in Various Locations



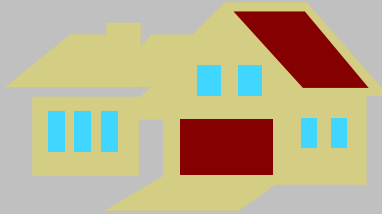
Location	Bainbridge Island
Assessed Value	\$ 503,285
Tax Rate	8.9995
Tax	\$ 4,529.33



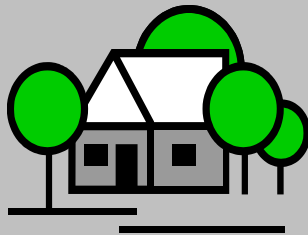
Location	North Kitsap Uninc.
Assessed Value	\$ 323,735
Tax Rate	9.7334
Tax	\$ 3,151.04

# Property Taxes 101

## Property Taxes on the Median Value home in Various Locations



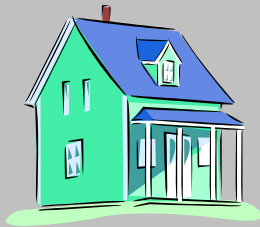
Location	Poulsbo
Assessed Value	\$ 268,530
Tax Rate	9.5220
Tax	\$ 2,556.93



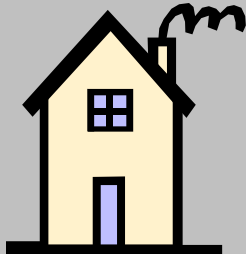
Location	Central Kitsap Uninc.
Assessed Value	\$ 262,075
Tax Rate	10.1925
Tax	\$ 2,671.19

# Property Taxes 101

## Property Taxes on the Median Value home in Various Locations

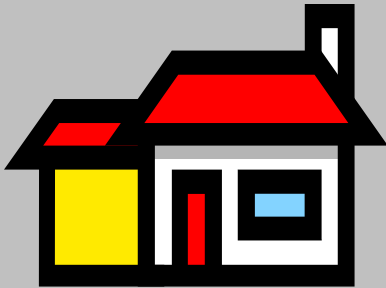


Location	South Kitsap Uninc.
Assessed Value	\$ 259,295
Tax Rate	8.1279
Tax	\$ 2,107.51



Location	Port Orchard
Assessed Value	\$ 183,910
Tax Rate	9.7925
Tax	\$ 1,800.94

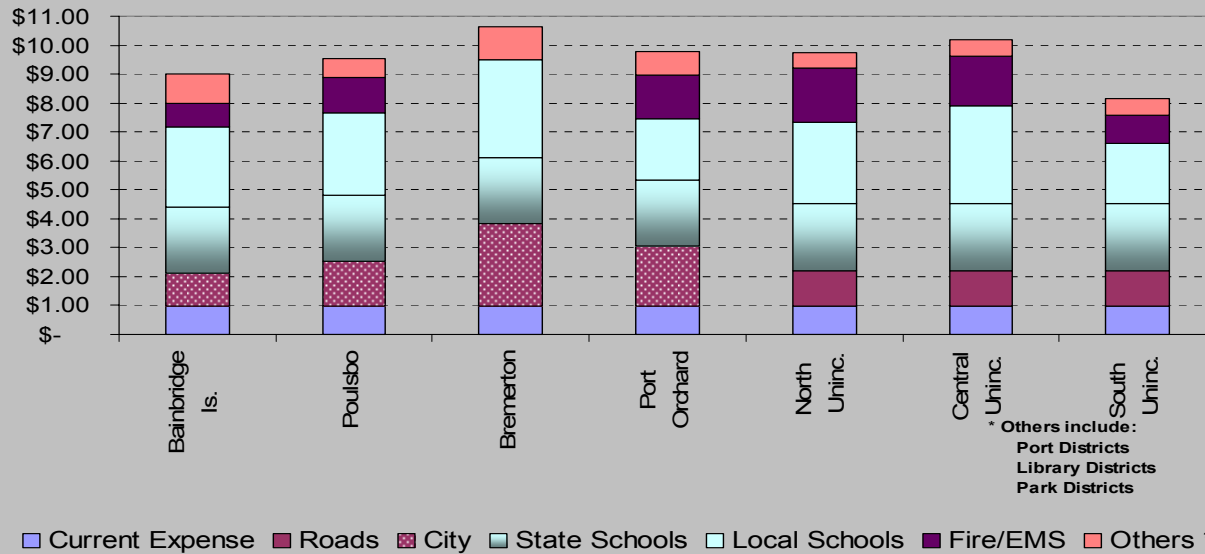
# Property Taxes 101



Location		Bremerton
Assessed Value	\$	172,260
Tax Rate		10.6277
Tax	\$	1,830.73

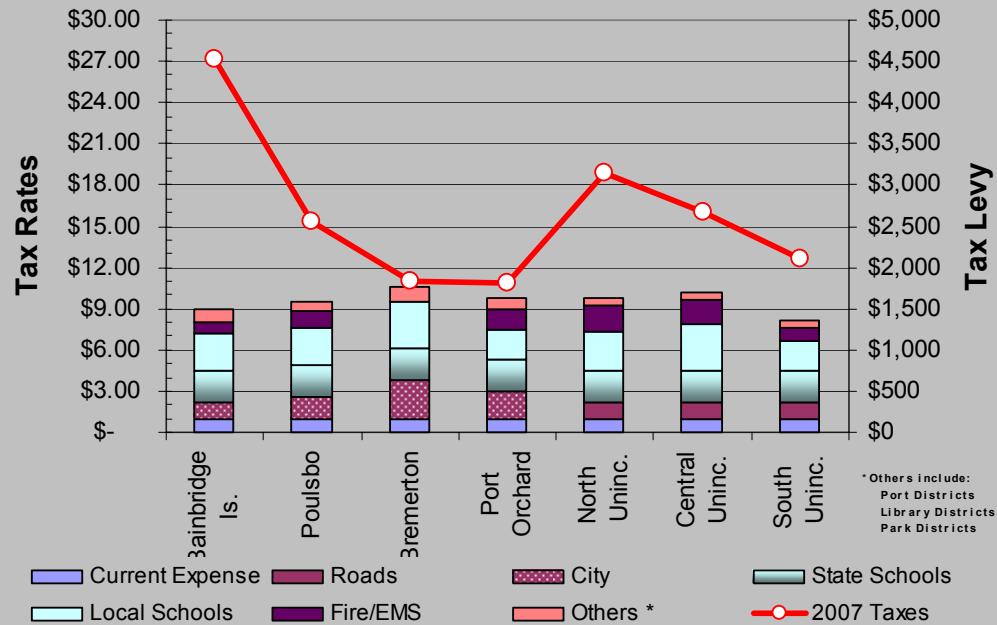
# Property Taxes 101 (Statistics)

**Tax Rates by Area (per \$1,000 Assessed Value)**



# Property Taxes 101

## Taxes on a Median Value Home by Area

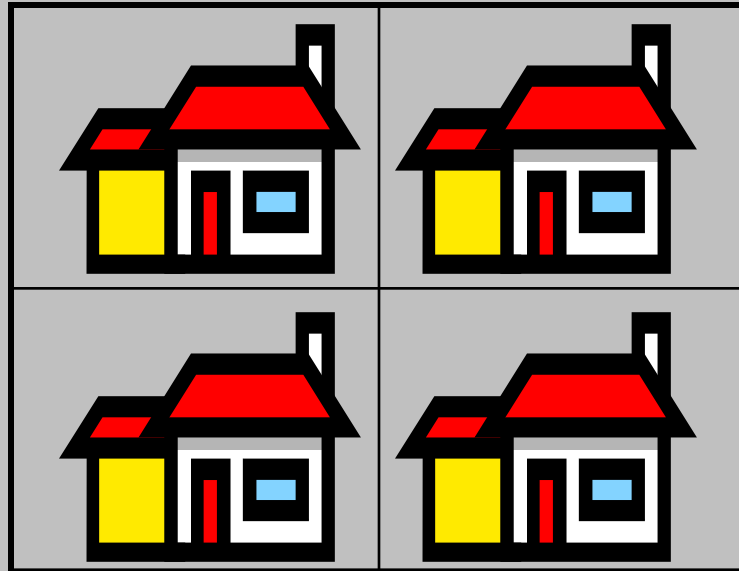


# Property Taxes 101

- From here on, we are going to talk only about property taxes paid to Kitsap County
- The hypothetical scenario is that we begin with four identical houses in 2007 and watch what happens to them as we progress to tax year 2011

# Property Taxes 101

Let's say we have four (4) identical houses in all of Kitsap County and each one has the same value in 2006 (2007 Taxes)



# Property Taxes 101

## Kitsap County Current Expense Taxes

<u>Year</u>	<u>Home</u>	<u>Assessed Value</u>	<u>Tax Rate</u>	<u>Tax</u>
2007	A	\$ 300,000	0.96251	\$ 288.75
	B	300,000	0.96251	288.75
	C	300,000	0.96251	288.75
	D	<u>300,000</u>	0.96251	<u>288.75</u>
		\$ 1,200,000		\$ 1,155.00

# Property Taxes 101

<u>Year</u>	<u>Home</u>	<u>Assessed Value</u>	<u>Tax Rate</u>	<u>Tax</u>
2007	A	\$ 300,000	0.96251	\$ 288.75
	B	300,000	0.96251	288.75
	C	300,000	0.96251	288.75
	D	300,000	0.96251	288.75
			<hr/>	<hr/>
		\$ 1,200,000		\$ 1,155.00
2008	A	\$ 600,000	?	?
	B	600,000	?	?
	C	600,000	?	?
	D	600,000	?	?
			<hr/>	<hr/>
		\$ 2,400,000		?

# Property Taxes 101 (2007-2008)

<u>Year</u>	<u>Home</u>	<u>Assessed Value</u>	<u>Tax Rate</u>	<u>Tax</u>
2007	A	\$ 300,000	0.96251	\$ 288.75
	B	300,000	0.96251	288.75
	C	300,000	0.96251	288.75
	D	300,000	0.96251	288.75
			<u>\$ 1,200,000</u>	
2008	A	\$ 600,000	0.48606	\$ 291.64
	B	600,000	0.48606	291.64
	C	600,000	0.48606	291.64
	D	600,000	0.48606	291.64
			<u>\$ 2,400,000</u>	

In this case, all property values doubled. The question is how does this affect taxes. The answer is that taxes increased 1.0% for each house and 1.0% in aggregate. The 2007 tax rate is essentially cut in half.

1.0%  
Increase  
or \$11.55



# Property Taxes 101 (2008-2009)

## Kitsap County Current Expense Taxes

<u>Year</u>	<u>Home</u>	<u>Assessed Value</u>	<u>Tax Rate</u>	<u>Tax</u>
2008	A	\$ 600,000	0.48607	\$ 291.64
	B	600,000	0.48607	291.64
	C	600,000	0.48607	291.64
	D	600,000	0.48607	291.64
			<u>\$ 2,400,000</u>	
2009	A	\$ 850,000	0.46313	\$ 393.66
	B	450,000	0.46313	208.41
	C	644,000	0.46313	298.26
	D	600,000	0.46313	277.88
			<u>\$ 2,544,000</u>	

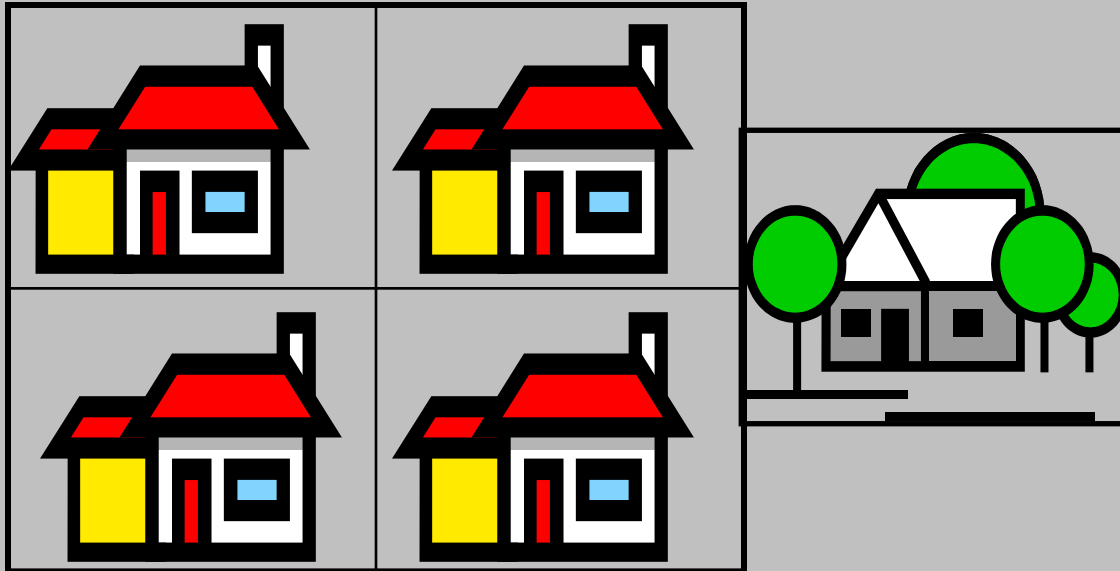
In this case, some property values increased and others decreased but overall, the value went up 6.0%. The 2009 tax rate goes down but there has been a tax shift because some homes have higher values than others.

1.0%  
Increase  
or \$11.66



# Property Taxes 101 (2009-2010)

In 2009/10 we still have our original four houses but a new house has been added to the mix.



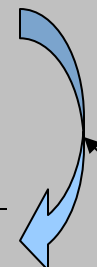
# Property Taxes 101 (2008-2009)

## Kitsap County Current Expense Taxes

<u>Year</u>	<u>Home</u>	<u>Assessed Value</u>	<u>Tax Rate</u>	<u>Tax</u>
2009	A	\$ 850,000	0.46315	\$ 393.66
	B	450,000	0.46315	208.41
	C	644,000	0.46315	298.26
	D	600,000	0.46315	277.88
			<u>\$ 2,544,000</u>	
2010	A	\$ 920,000	0.43446	\$ 399.70
	B	550,000	0.43446	238.95
	C	644,000	0.43446	279.79
	D	625,000	0.43446	271.54
			<u>\$ 2,739,000</u>	
	E	\$ 725,000	0.46315	\$ 335.78
			<b>Total Allowed</b>	<b>\$ 1,525.77</b>

In this case, some property values increased or stayed the same and we had some “new construction.” The 2010 tax rate goes down and there is a tax shift because some homes increased in value more than others.

Still a 1.0% increase is allowed or \$11.78



# Property Taxes 101 (2010-2011)

## Kitsap County Current Expense Taxes

<u>Year</u>	<u>Home</u>	<u>Assessed Value</u>	<u>Tax Rate</u>	<u>Tax</u>
2010	A	\$ 920,000	0.43447	\$ 399.70
	B	550,000	0.43447	238.95
	C	644,000	0.43447	279.79
	D	625,000	0.43447	271.54
	E	725,000	0.46315	335.78
		<u>3,464,000</u>		<u>\$ 1,525.76</u>
2011	A	\$ 966,000	0.42735	\$ 412.82
	B	577,500	0.42735	246.80
	C	676,200	0.42735	288.98
	D	656,250	0.42735	280.45
	E	730,000	0.42735	311.97
		<u>\$ 3,605,950</u>		<u>\$ 1,541.01</u>

In this case all property values increased. The 2011 tax rate goes down and there is a tax shift because some homes increased in value at a faster rate than others, but total taxes only grew 1.0%.

Still a 1.0% increase is allowed (\$15.25)



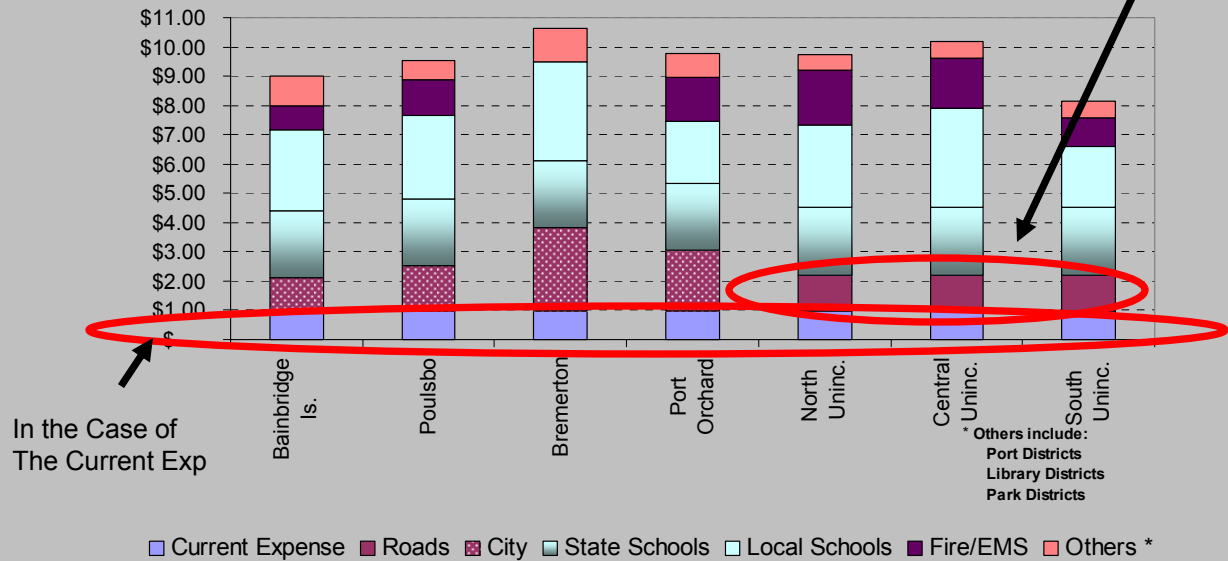
# Property Taxes 101

## What Happened From 2007 to 2011 (5 Years)

<u>Year</u>	<u>Home</u>	<u>Assessed Value</u>	<u>Tax Rate</u>	<u>Tax</u>		
2007	A	\$ 300,000	0.96251	\$ 288.75		
	B	300,000	0.96251	288.75		
	C	300,000	0.96251	288.75		
	D	300,000	0.96251	288.75		
			<u>\$ 1,200,000</u>		<u>\$ 1,155.00</u>	
2011	A	\$ 966,000	0.42736	\$ 412.82	43.0%	
	B	577,500	0.42736	246.80	-14.5%	
	C	676,200	0.42736	288.98	0.1%	
	D	656,250	0.42736	280.45	-2.9%	
			<u>\$ 2,875,950</u>		<u>\$ 1,229.05</u>	6.4%
	E	\$ 730,000	0.42736	\$ 311.97		
		<u>\$ 3,605,950</u>		<u>\$ 1,541.01</u>		

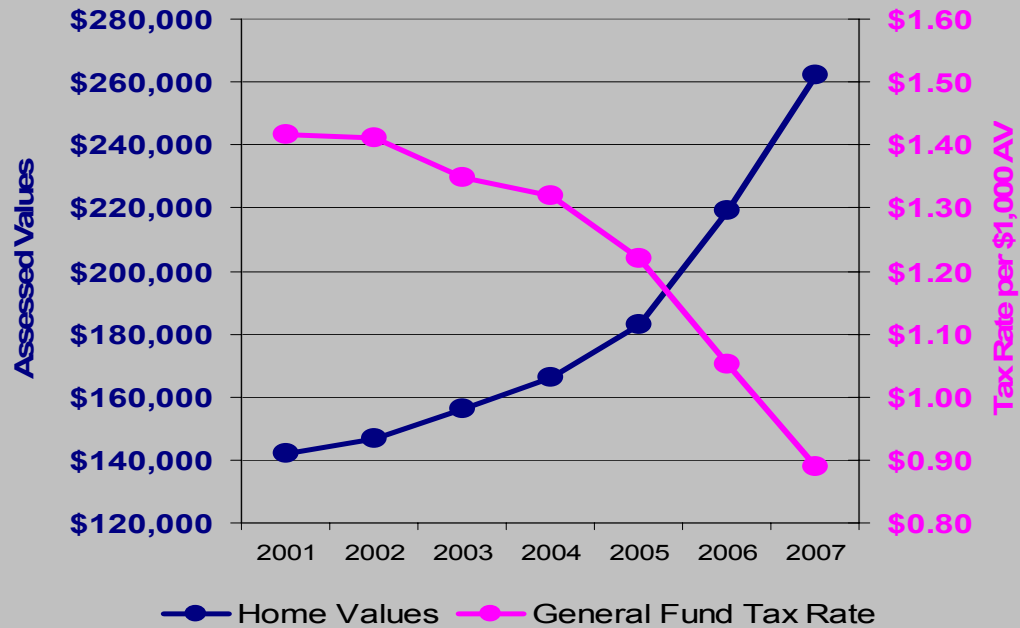
# Property Taxes 101

**Tax Rates by Area (per \$1,000 Assessed Value)** In the Case of County Roads



# Property Taxes 101

Assessed Value vs General Fund Tax Rate



# Property Taxes 101

Well, Ben, this is all fine and good but **WHY** are **MY** taxes still going up every year?

Well . . .

Let me show you **WHY** or **ARE THEY?**

# Property Taxes 101

One reason might be that the value of your home increased more than the value of the average home in unincorporated Kitsap County. This is true of each taxing district in which you live.

Kitsap County Current Expense	<b>Total Assessed Value</b>
<b>2007</b>	\$ 28,579,487,595
<b>2006</b>	23,320,361,965
<b>Difference</b>	\$ 5,259,125,630
<b>New Construction</b>	\$ 730,403,137
<b>Increase due to Revaluation</b>	\$ 4,528,722,493
<b>% Increase</b>	19.42%

Another is that you may have voted in a tax increase.

# Property Taxes 101

- How much did the \$4,528,722,493 in revalued property bring to the Kitsap County Current Expense?
  - Answer: 1.0% of 2006's Levied Taxes
  - 1.0% X \$25,320,388 or
  - \$253,204
  - There are 113,483 tax parcels
  - Or about \$2.23 increase per parcel
  - If property values had **decreased**, taxes on existing property could still raise by the \$253,204

# Property Taxes 101



**Barbara Stephenson**  
 MAKE REMITTANCES PAYABLE TO:  
 Kitsap County Treasurer  
 PO Box 34303 Seattle, Washington 98124

## 2007 WEB TAX STATEMENT

Printed:06/29/2007

HOLLAND BENJAMIN A & ANNE P  
 653 NE SOMMERSETH ST  
 POULSBO, WA 98370

**Account Number**

232601-3-008-2004

For Informational Purposes Only

Process Number 1343490

Taxpayer Name:  
 HOLLAND BENJAMIN A & ANNE P

**GENERAL TAX DISTRIBUTION**

2006		2007	
STATE GENERAL	\$823.53	STATE GENERAL	\$948.70
REGIONAL LIBRARY	\$128.61	REGIONAL LIBRARY	\$141.61
LOCAL SCHOOL	\$1,107.87	LOCAL SCHOOL	\$1,171.81
COUNTY	\$358.37	COUNTY	\$397.74
CITY	\$599.09	CITY	\$645.00
PORT	\$95.16	PORT	\$102.82
FIRE	\$467.78	FIRE	\$499.14
PUD	\$25.26	PUD	\$28.02
2006 Total:	\$3,605.66	2007 Total:	\$3,934.84

23261E  
 A PORTION OF GOVERNMENT LOT 2, SECTION 23, TOWNSHIP 26 NORTH, RANGE 1 EAST, W.M., DESCRIBED AS FOLLOWS: FROM THE NORTHEAST CORNER OF GOVERNMENT LOT 2, SECTION 23, TOWNSHIP 26 NORTH, RANGE 1 EAST, W.M.; RUNNING THENCE S1°28'10 W ALONG THE EAST BOUNDARY THEREOF, A DISTANCE OF 386.94 FEET TO THE NORTHEAST CORNER OF THE PLAT OF SEA VIEW ADDITION TO THE TOWN OF POULSBO; THENCE N89°13'36 W ALONG THE NORTH BOUNDARY OF SAID PLAT, A DISTANCE OF 373.79 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG THE SAID NORTH BOUNDARY OF SEA VIEW ADDITION, A DISTANCE OF 157.46 FEET; THENCE N1°07'24 E A DISTANCE OF 120.00 FEET; THENCE CONTINUING ALONG THE SAID SOUTHERLY LINE OF AN EXISTING RIGHT OF WAY, A DISTANCE OF 120.00 FEET WESTWARD TO FOURTH AVENUE IN SAID TOWN OF POULSBO; THENCE EA

30.4% Increase

9.1% Increase

**VALUE INFORMATION FOR TAX**

	2006	2007
Land:	\$111,380	\$123,030
Improvements:	\$205,470	\$290,210
TOTAL VALUE:	\$316,850	\$413,240

**Current Taxes**

ASSESSMENT	2006	2007
Noxious Weed	\$1.00	\$1.00
Asmt Total	\$1.00	\$1.00

[www.kitsapgov.com](http://www.kitsapgov.com) <http://kcwppub3.co.kitsap.wa.us/website/ParcelSearch/presentation/chameleon/search.asp>

# Property Taxes 101

## Value History

Print this page


Tax Account No.	Process No.	Situs Address
<b>232601-3-008-2004</b>	<b>1343490</b>	

Tax Year	Land Value	Improvement Value	Total Value	Taxable Assessed Value	Annual Taxes	Annual FFP Assessment	Annual SSWM Assessment	Annual Noxious Weed Assessment	Annual Total
2006	111,380	205,470	316,850	316,850	3,605.66	0.00	0.00	1.00	3,606.66
2005	86,630	186,770	273,400	273,400	3,554.10	0.00	0.00	1.00	3,555.10
2004	82,500	170,970	253,470	253,470	3,431.22	0.00	0.00	0.00	3,431.22
2003	82,500	149,550	232,050	232,050	3,217.98	0.00	0.00	0.00	3,217.98

Tax Statement

close this window

# Property Taxes 101



**Barbara Stephenson**  
 MAKE REMITTANCES PAYABLE TO:  
 Kitsap County Treasurer  
 PO Box 34303 Seattle, Washington 98124

## 2007 WEB TAX STATEMENT

Printed:06/29/2007

**Account Number**  
[REDACTED]

For Informational Purposes Only  
 Process Number 2190650

**Tax Property Description**  
 NORTH FORTY DIV 2  
 LOT 10, NORTH FORTY DIVISION 2, ACCORDING TO THE PLAT  
 THEREOF, RECORDED IN VOLUME 27 OF PLATS, PAGES 180 TO 184,  
 INCLUSIVE, RECORDS OF KITSAP COUNTY; TOGETHER WITH A 1/38TH  
 UNDIVIDED INTEREST IN TRACT A AS D SAID PLAT; SITUATE IN KITSAP COUNTY, WA

GENERAL TAX DISTRIBUTION			
	2006		2007
STATE GENERAL	\$630.62	STATE GENERAL	\$655.62
REGIONAL LIBRARY	\$87.73	REGIONAL LIBRARY	\$87.86
LOCAL SCHOOL	\$920.71	LOCAL SCHOOL	\$969.68
COUNTY	\$274.44	COUNTY	\$274.87
COUNTY ROAD	\$357.79	COUNTY ROAD	\$356.09
PORT	\$51.82	PORT	\$53.91
FIRE	\$366.01	FIRE	\$493.36
PUD	\$19.34	PUD	\$19.37
2006 Total:	<b>\$2,698.46</b>	2007 Total:	<b>\$2,910.76</b>

VALUE INFORMATION FOR TAX		
	2006	2007
Land:	\$37,730	\$60,370
Improvements:	\$204,900	\$225,210
<b>TOTAL VALUE:</b>	<b>\$242,630</b>	<b>\$285,580</b>

Current Taxes			
ASSESSMENT	2006	2007	
Noxious Weed			1.00
Stormwater Manager			7.30
Asmt Total	\$51.00	\$58.30	

17.7% increase

7.9% increase

# Property Taxes 101

## Value History

Print this page

Tax Account No.	Process No.	Situs Address
[REDACTED]	2190650	[REDACTED]

Tax Year	Land Value	Improvement Value	Total Value	Taxable Assessed Value	Annual Taxes	Annual FFP Assessment	Annual SSWM Assessment	Annual Noxious Weed Assessment	Annual Total
2007	60,370	225,210	285,580	285,580	2,910.76	0.00	57.30	1.00	2,969.06
2006	37,730	204,900	242,630	242,630	2,698.46	0.00	50.00	1.00	2,749.46
2005	33,280	194,050	227,330	227,330	2,978.16	0.00	47.50	1.00	3,026.66
2004	30,250	177,290	207,540	207,540	2,922.38	0.00	45.00	0.00	2,967.38

# Property Taxes 101

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>4-Year Δ</u>
Value	\$ 207,540	\$ 227,330	\$ 242,630	\$ 285,580	37.6%
<b>Taxes</b>					
Current Expense	\$ 293.30	\$ 297.47	\$ 274.44	\$ 274.87	<b>-6.3%</b>
Roads	388.71	390.57	357.79	356.09	<b>-8.4%</b>
State (Schools)	639.17	673.13	630.62	655.62	2.6%
Schools	1,045.37	1,042.10	920.71	969.68	<b>-7.2%</b>
Fire EMS	382.19	398.40	356.01	493.36	29.1% *
Others	173.66	176.49	158.89	161.14	<b>-7.2%</b>
<b>Grand Total</b>	<b>\$2,922.38</b>	<b>\$2,978.16</b>	<b>\$2,698.46</b>	<b>\$2,910.76</b>	<b>-0.4%</b>

\* Voted Lid Lift in 2006 for 2007

# Property Taxes 101

- Assistance for Senior Citizen and Disabled Persons
  - Tax Relief
    - Income up to \$25,000 are exempt from all excess and special levies and a \$60,000 reduction or 60% reduction in assessed value (whichever is greater)
    - Income from \$25,000 to \$30,000 are exempt from all excess and special levies and a \$50,000 or 35% reduction in assessed value (nfe \$70,000)
    - Income from \$30,000 to \$35,000 are exempt from excess and special levies
    - The valuation of property subject to the above exemptions is frozen as of the date the taxpayer first became eligible for the exemption (also an allowance for a one time larger income)

# Property Taxes 101

- Assistance for Senior Citizen and Disabled Persons
  - There is a also a tax deferral program that postpones payment of property taxes. To qualify, your income must be less than \$40,000.
- Contact the County Assessor (Lori McPhee) at 360-337-4904

# Property Taxes 101

- Port Districts (Special Levy Authority)
  - WAC 458-19-050 (5)
    - Port districts that have adopted a comprehensive scheme of harbor improvements and industrial development may annually levy taxes to be used exclusively for purposes of industrial development . . . This levy cannot exceed forty-five cents per thousand dollars of assessed value of the port district. This levy need not be authorized by a vote of the people of the district . . .

# Property Taxes 101

Bremerton Sun 1-28-07

## LETTERS

### LIBRARY TAXES

#### They Gain Money From Higher Values

I am grateful that the Kitsap Sun chooses to report on local features in a positive light. I wonder, however, if a more thorough, perhaps balanced report might sometimes be given by examining issues from an objective distance.

To wit, the Kitsap Regional Library piece. While it is true that KRL may have not

had their levy rate raised for some decades, how has the net tax base grown? In our stay of six years, our house valuation has grown 100 percent. I estimate that means the KRL revenue from this address has grown 100 percent as well.

The increase identified in the article is a 66 percent jump. My Social Security increase for 2007 is 3.3 percent which, by the way, has already been consumed by the property tax increase.

It would be helpful in reading such articles if a fuller version of the situation could be presented.

# Property Taxes 101

## What Really Happened?

<u>Year</u>	<u>Assessed Value</u>	<u>Library Rate</u>	<u>Library Tax</u>
2002	\$ 102,510	\$ 0.48339	\$ 49.55
2003	112,110	0.46231	51.83
2004	106,680	0.45270	48.29
2005	119,540	0.41963	50.16
2006	149,650	0.36159	54.11
2007	178,590	0.30765	54.94
% Inc/Dec	74.2%	-36.4%	10.9%
Inc/Dec	76,080	\$ (0.17574)	\$ 5.39