

Lane County, Oregon
eGovernment
www.lanecounty.org



Property Tax Overview

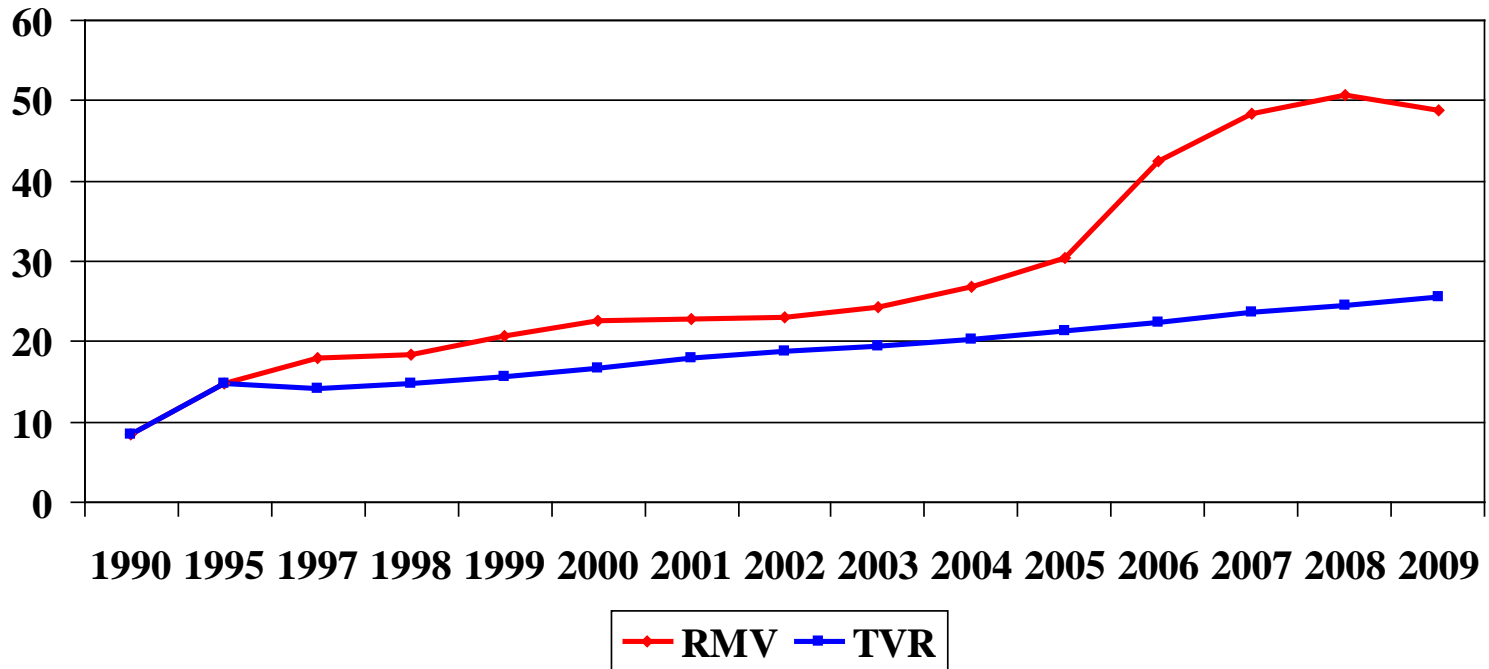
Lane County Leadership Team

August 17, 2010

Anette Spickard Lane County Assessor

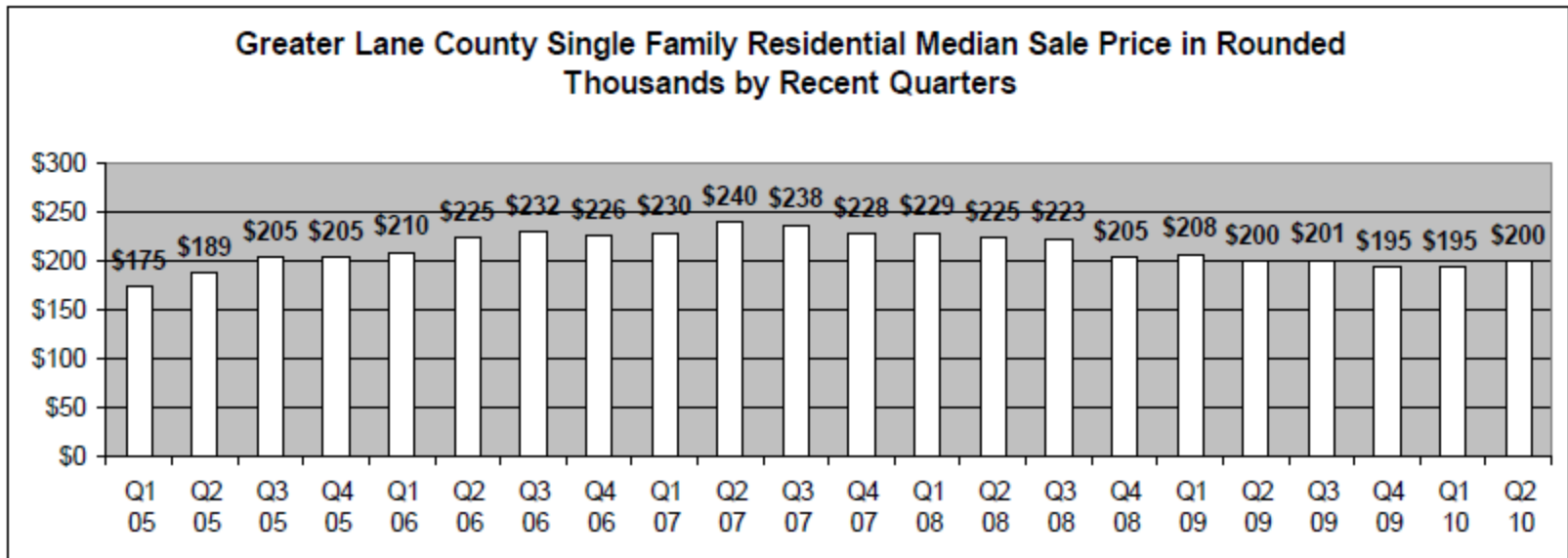
Current Value “Gap” for all properties combined

2009 Gap = 52.45%



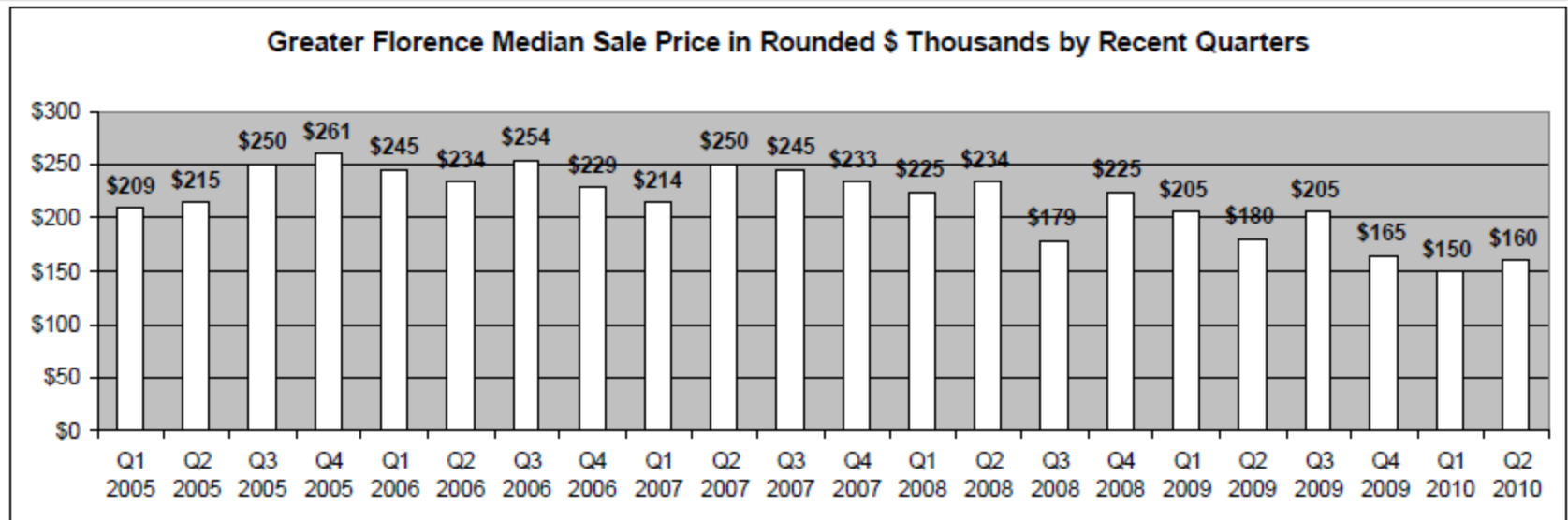
Lane Co Market Data Analysis as of June 30, 2010 Excluding Florence

©Pacific Valuation Services

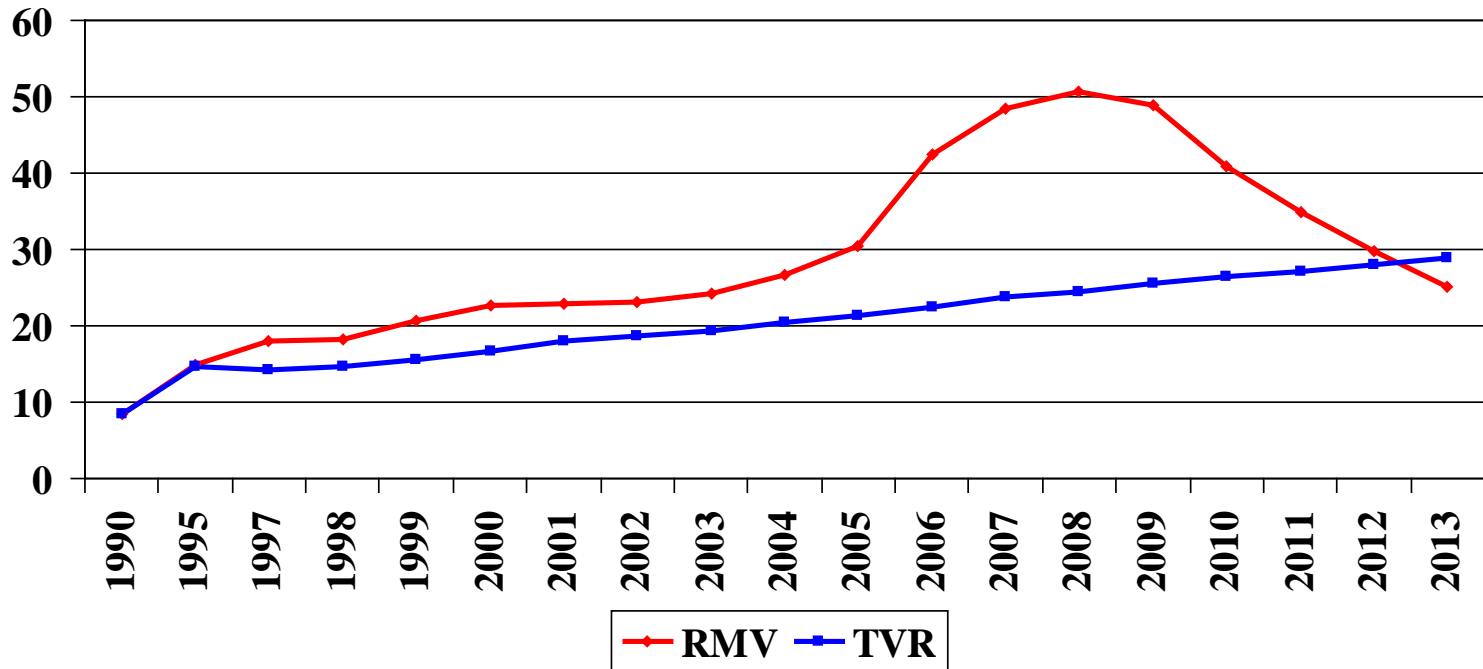


Florence Market Data Analysis as of June 30, 2010

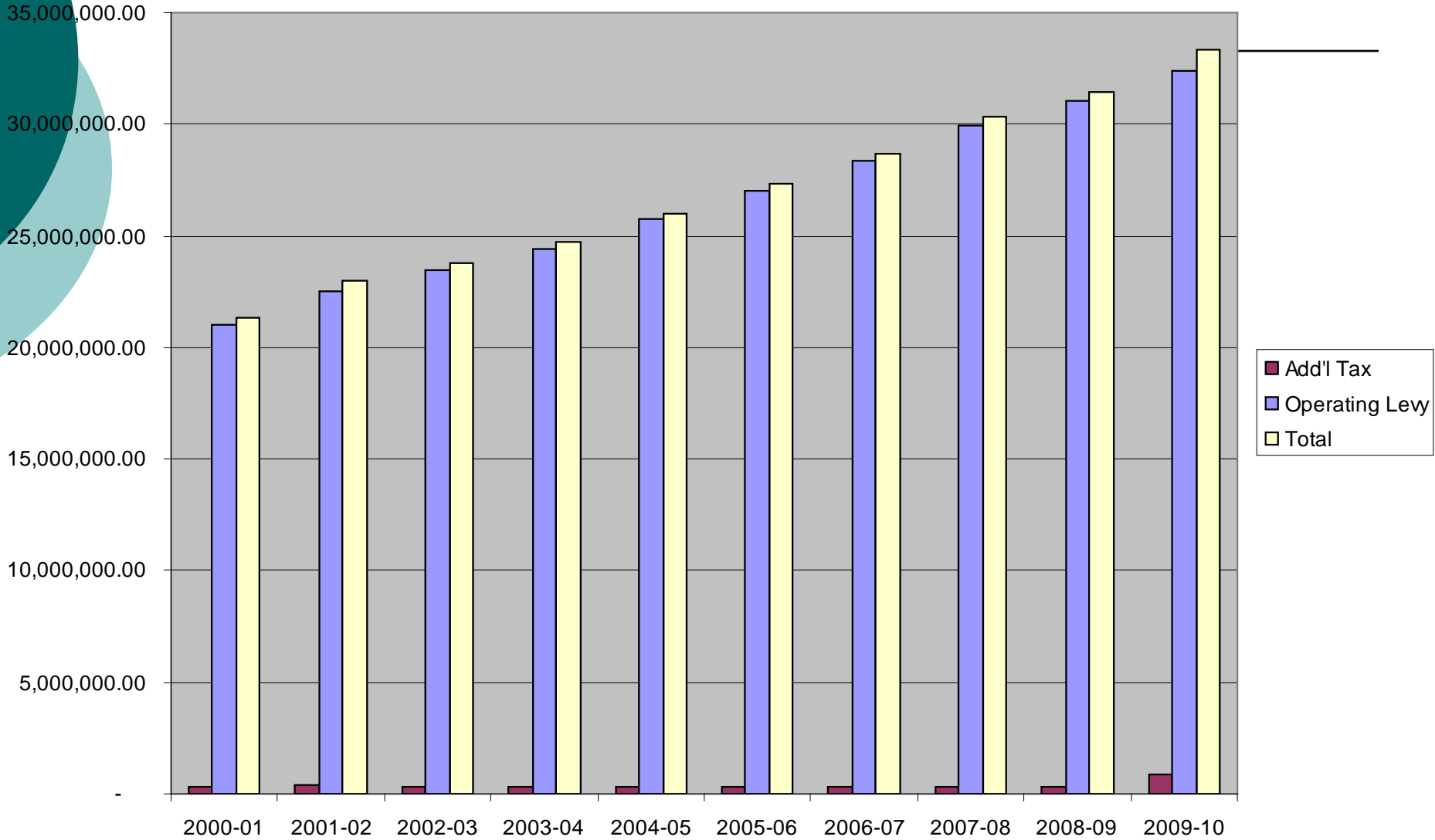
©Pacific Valuation Services



The perfect storm....real estate market continues decline & private construction activity does not improve



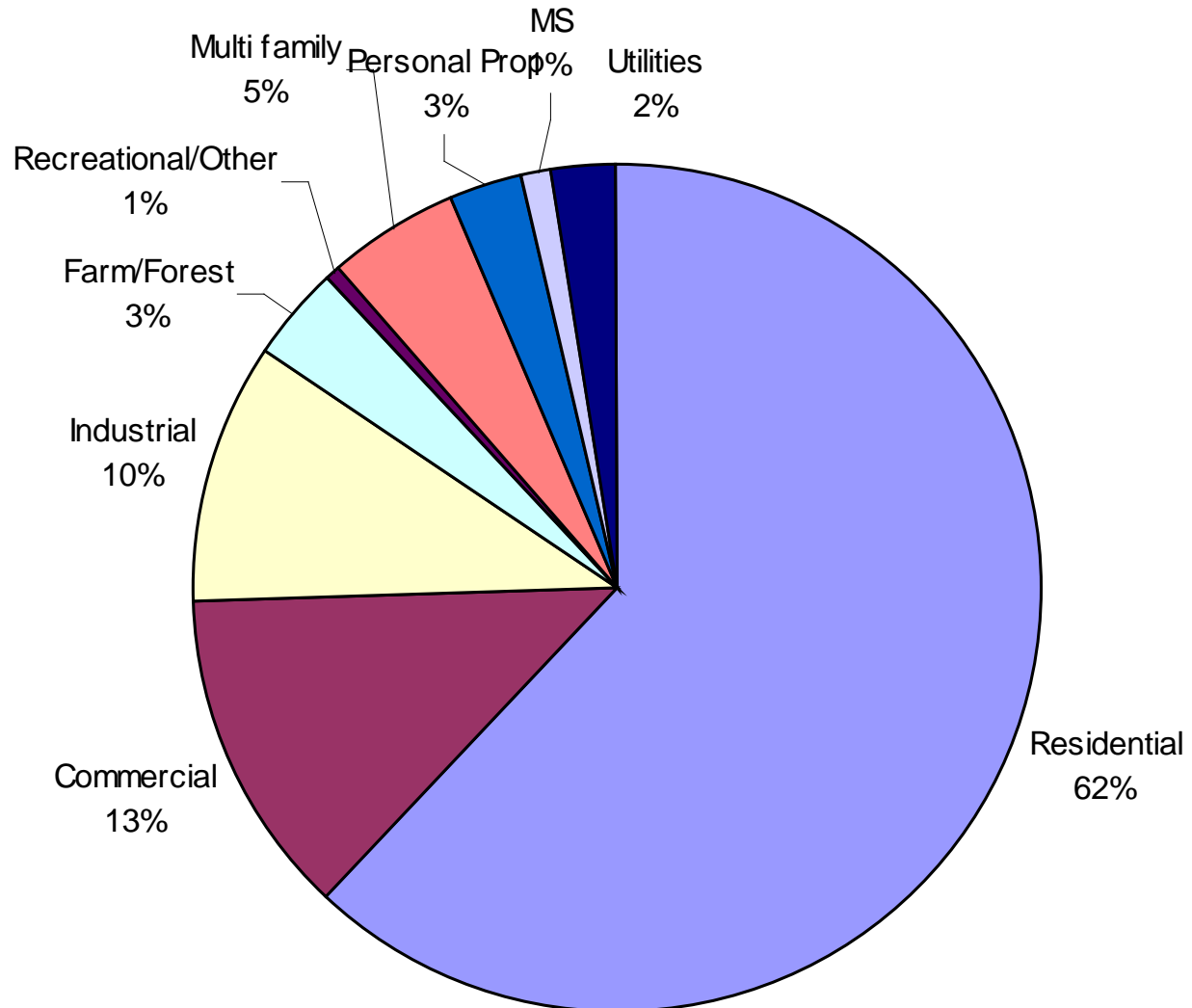
Lane Co Operating Levy



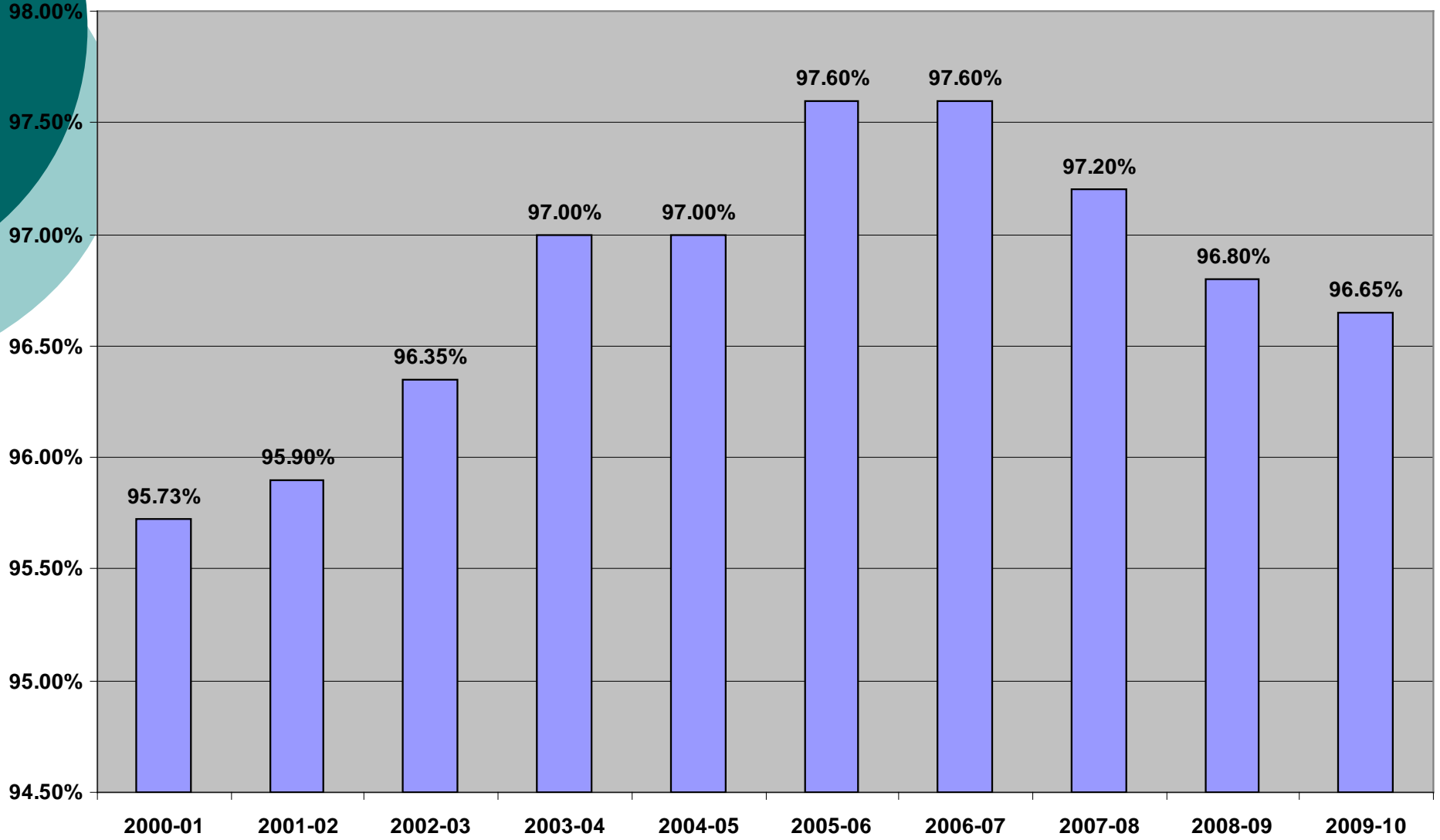
Compression Loss due to M5

	\$ Amount	% of levy
2000-01	(322.90)	-0.0015%
2001-02	(189.96)	-0.0008%
2002-03	(1,739.15)	-0.0074%
2003-04	(3,554.05)	-0.0146%
2004-05	(2,736.29)	-0.0106%
2005-06	(1,086.22)	-0.0040%
2006-07	(763.45)	-0.0027%
2007-08	(704.85)	-0.0024%
2008-09	(5,695.71)	-0.0183%
2009-10	(862.50)	-0.0027%

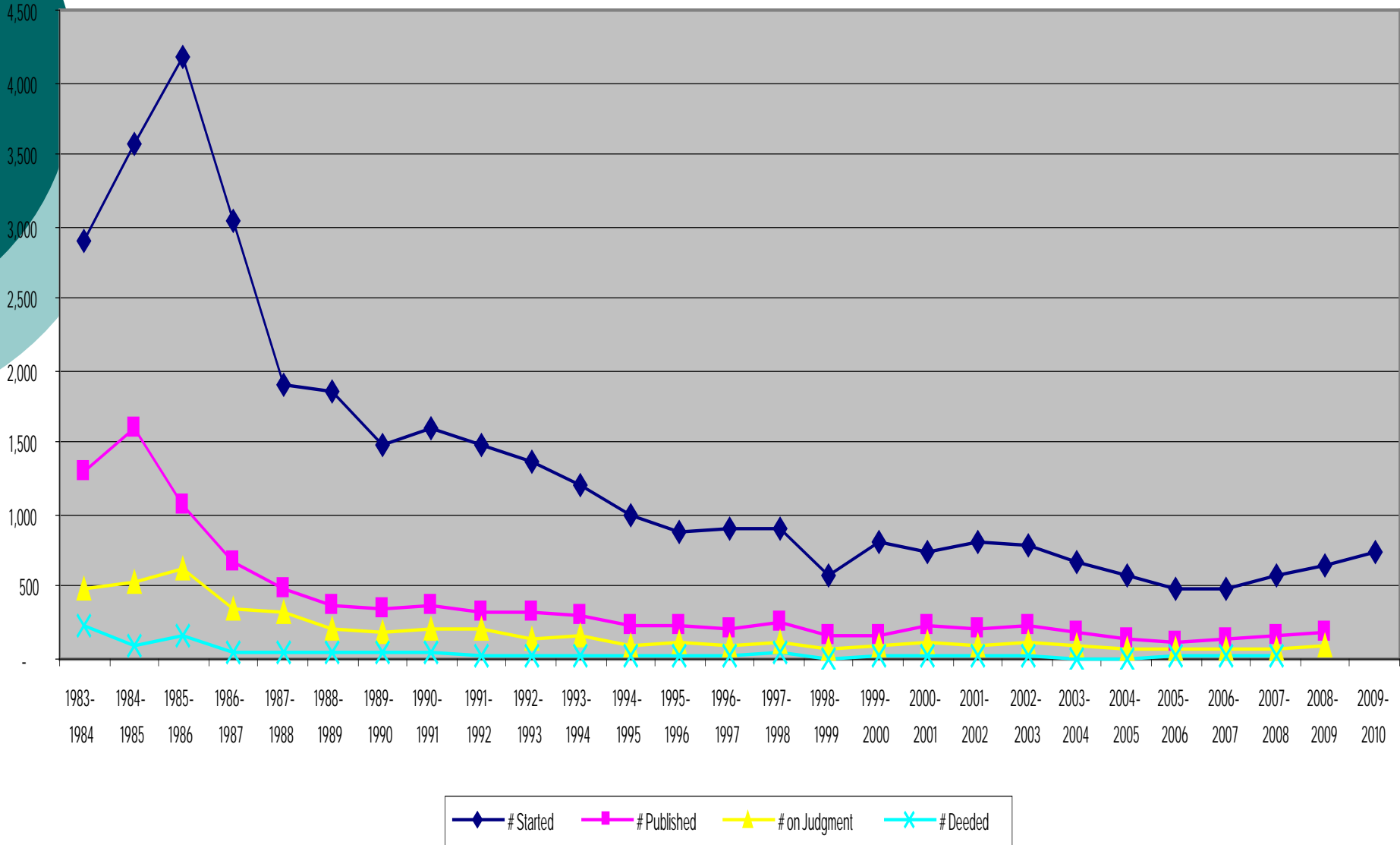
Taxes by Property Type



Lane Co Tax Collection Rates



Property Tax Foreclosures



Here are the top 10 places that Local Market Monitor identifies as most vulnerable to continued price declines:

- Atlantic City/Hammonton, N.J.
- Provo, Utah
- **Portland, Vancouver, Oregon, Ore.**
- Glen Falls, N.Y.
- Bellingham, Wash.
- Flagstaff, Ariz.
- Charleston/Sommerfield, S.C.
- **Eugene/Springfield, Ore.**
- Salisbury, Md.
- Salt Lake City, Utah
- *Source: Forbes Magazine, Francesca Levy (04/27/2010)*



The trends

- 95% of all properties in county will see market value declines this year.
- Another wave of jumbo loan and ARM resets are coming.
- 30% of sales in 2009 were short sales or bank owned properties.
- Commercial market is flat with very few sales. Declines possible when 5 year refinance window hits in 2011 due to tight credit market.



The trends

- The local industrial market weakened with lower sales prices in 2009 which will result in drops in taxable value.
- Large Industrial properties continue to receive value decreases from the Department of Revenue.



Measure 50 impacts

- Most residential & commercial properties will have 3% increase in Maximum Assessed Value and will still have a taxable value lower than their market value in 2010.
- During the “boom real estate market”, Measure 50 protected property owners from spikes in taxes.
- During the slowdown of the real estate market, Measure 50 provides stability to district revenues.



Preliminary look at 2010 tax roll

- Residential values dropping, but not as dramatically as Bend or Prineville.
- Industrial and commercial drops.
- More properties will hit Measure 5 maximum of \$15 per 1,000 RMV.
- Less new construction value to offset other decreases.
- Expect appeals to continue due to M50 effect of taxable value increase at a time when market has dropped.



Other effects on property tax revenue

- Bankruptcies
 - Filings grew by 57% over prior year
- Comcast Appeal of DOR methodology
 - Potential \$1.9 Million refund from 2010-11 collections if DOR loses court case
- New Laws
 - Tax correction up to 5 years to repay
 - No tax on low value manufactured homes for next four years
 - Expanded logging equipment exemptions, etc.



Conclusion

- Economic indicators show slow recovery
- We historically lag country in recovery
- Credit crunch affecting investments
- Large scale construction projects are mostly for exempt properties
- Most permit activity is now remodel work
- Industrial sector slowdown will affect revenues
- Unemployment will affect home buying



Conclusion

- County property tax revenues are maximized under the current law absent a new local option levy.
- Property tax will continue to provide stable base funding, but can't absorb expense increases, therefore structural deficit continues.