

Lane County, Oregon  
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# Property Tax

Lane County Budget Committee

April 30, 2009

Anette Spickard Lane County Assessor



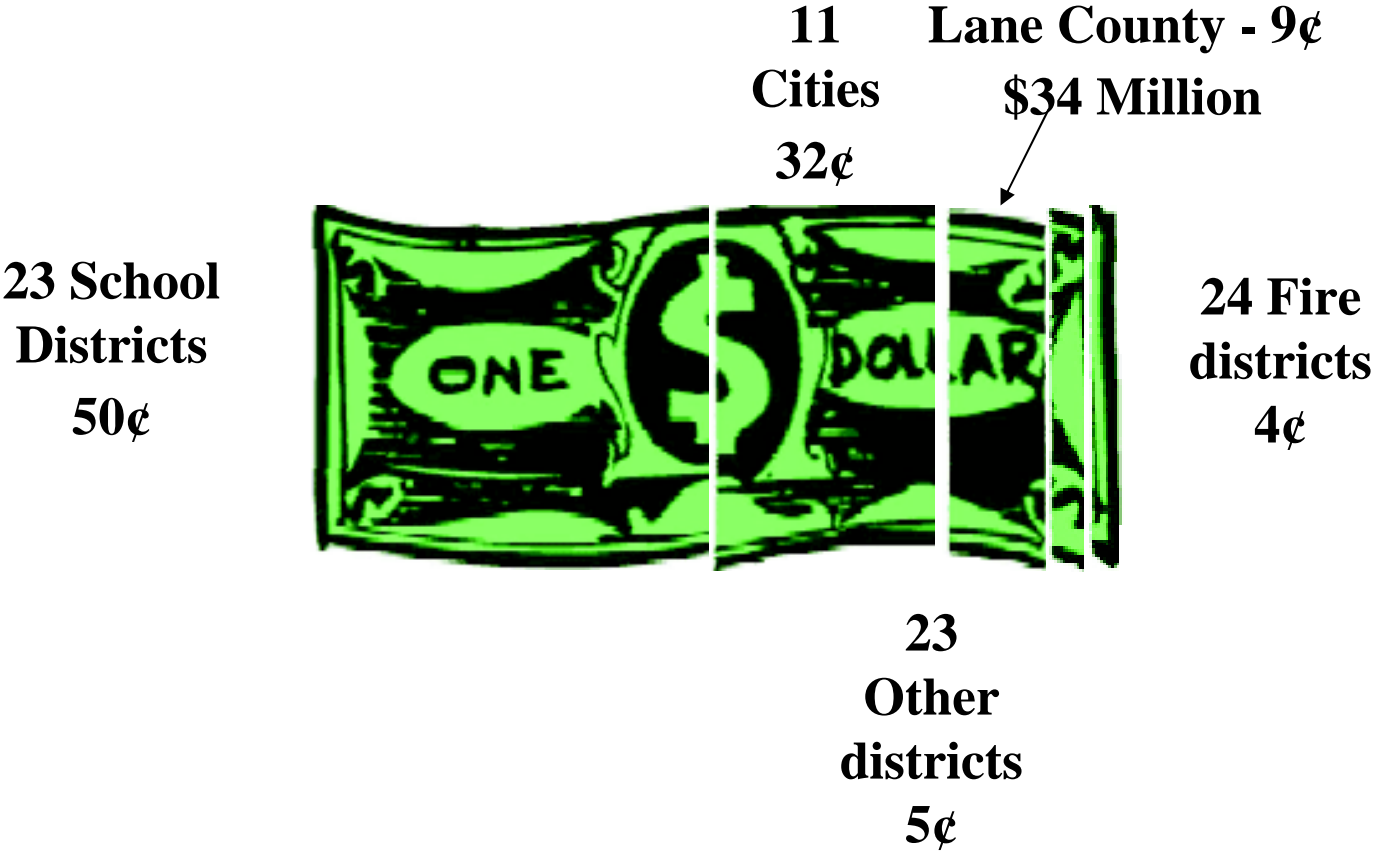
# October 2008 Tax Roll Data

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- \$44.3 Billion Market Value
- \$24.5 Billion Taxable Value
- 170,000+ taxable accounts
- 115,000 residential
- 17,000 farm/forest specially assessed
- 14,000 manufactured homes
- 6,500 commercial
- 2,700 industrial
- 1,600 multi-family

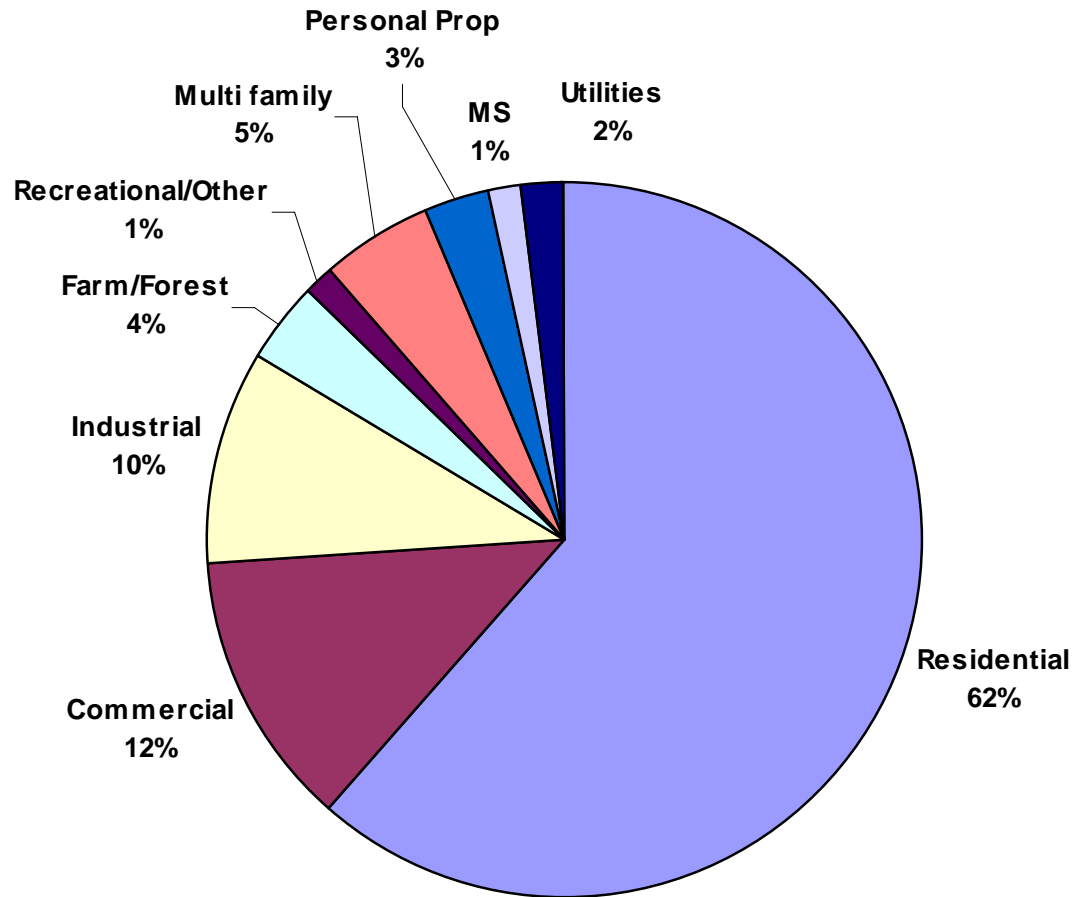
# \$379 million in prop tax for 2008-09

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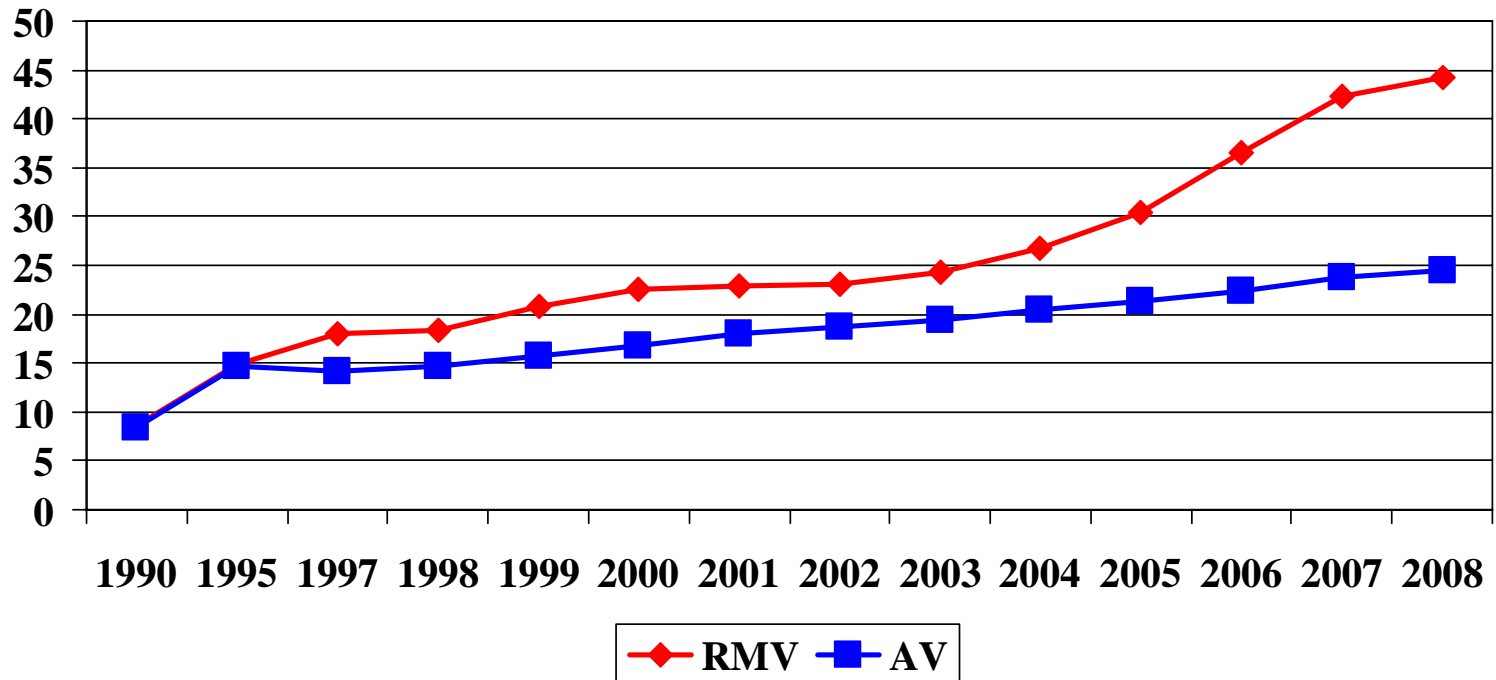
# 2008 Account Breakdown

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# Value "Gap" for all properties combined

2008 Gap = 55.30%





# Measure 5 implications to county

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- Measure 5 compression has been minimal, but expect to see it rise.
- Measure 5 created a tax “ceiling” of \$10 per \$1,000 of Real Market Value for Gen Gov’t.
- Actual tax is levied against the assessed value which is a lower amount for most properties.



# Measure 50 impacts

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- Most properties will have 3% increase in Maximum Assessed Value and will still have a taxable value lower than their market value.
- 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.



## Measure 50 implications to county

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- Maximum Assessed Value created in 1997
- Can grow 3% per year plus new construction and other limited exceptions allowed under the law
- In 2007, 68% of properties were taxed with 3% only change. **Now that is 75.6%.**
- In 2007, 9% of properties had 3% plus new taxable value. **Now that is only 7.8%.**
- In 2007, 23% of properties were taxed on a value other than MAV. **Now that is 16.6%.**



# Preliminary look at 2008 market for January 1, 2009 assessment date

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- More short sales and bank sales
- Drop in sales volume, fewer recordings
- Decrease in permits. Site visits reveal more “no starts” on permits, increase in remodels over new construction.
- Credit crunch is a problem.
- Effects of 2008 market will show on Oct 2009 tax statements.
- 2009 Market will show on 2010 statements.



## Preliminary look at 2009 tax roll

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- Residential values dropping, but not as dramatically as Bend or Medford.
- More properties will hit Measure 5 maximum of \$15 per 1,000 RMV.
- Less new construction to add value.
- Expect more appeals due to M50 effect of taxable value increase at a time when market has dropped.



# Risks to county property tax revenue

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- Drops in industrial & utility values due to economy equate to immediate drop in tax revenues.
  - RV Manufacturing
  - Wood Products
  - Communications companies
  - High Tech
  - 20-40% decreases expected from DOR economic obsolescence adjustments

# Example – State Industrial Accts

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2007 Certified Value From DOR

- \$1.58 Billion

2007 Final Value (after appeals, etc.)

- \$1.42 Billion

2008 Certified Value From DOR

- \$1.38 Billion

Net loss of \$200 Million in one year or  
\$254k in county general fund revenue



## Other effects on property tax revenue

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- Collection rate is beginning to slow
  - 91.6% collected vs. 92.1% last year
- Bankruptcies
  - Twice the filings compared to last year
  - \$594k owed by Monaco
- Hynix Tax Penalty
  - \$5.4 Million due in November in addition to regular tax



# Conclusions

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- Economy slow through 2009/10
- We historically lag country in recovery
- Credit crunch is affecting projects
- 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



# Conclusions

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- Property Tax projections should be conservative at this time – expecting 3% revenue growth for each of the next two years is best case until economy recovers.
- After May 15 payment deadline passes we will have better idea of delinquencies and collection trend.