

ISLAND COUNTY ASSESSOR'S OFFICE

Annual Report for 2010 Taxes

Based upon 2009 Assessment

ISLAND COUNTY ASSESSOR'S OFFICE

Directory

PHONES:

Central and North Whidbey Island 360-678-7303
 South Whidbey Island 360-321-5111
 Camano Island 360-629-4522

PHYSICAL ADDRESS: Administration Building, Room 208

1 N.E. 7th St, Coupeville, WA 98239-5000

MAILING ADDRESS:

PO Box 5000, Coupeville, WA 98239-5000

Webpage:

www.islandcounty.net/Assessor/

ISLAND COUNTY ASSESSOR: David M. Mattens

Chief Deputy Assessor: Gary Bur

ADMINISTRATIVE STAFF:

Cadastral / Mapping / GIS Department

Mary Welshans, Cart. Supervisor
 Todd Burlington, Cartographer

Land Segregations Department

Shirley Sorrows, Administrator

Senior Citizen / Disability Exemptions

Morrie Parker, Administrator

Current Use Exempt: Forest, Open Space,

Gary Bur

Exemptions for Improvements: Residential

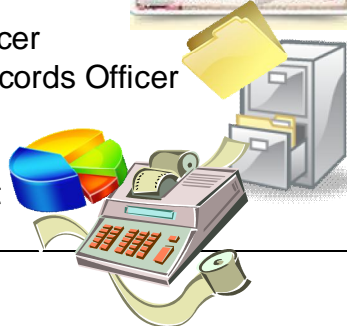
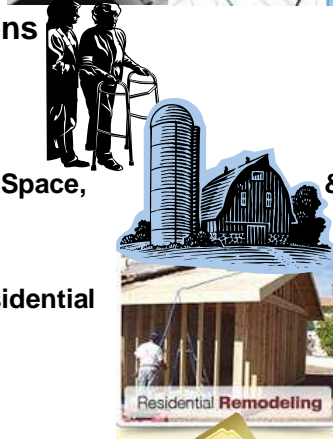
Mary Engle

Public Records

Gary Bur, Public Records Officer
 Daniel C. Jones, Asst Pub Records Officer

Levy Administration

Daniel C. Jones, Levy Analyst
 Amy Witt, Asst. Levy Analyst



PROFESSIONAL APPRAISAL STAFF:

Chief Appraiser

Ron Telles

Computer Assisted Mass Appraisal (CAMA)

Daniel C. Jones, Appraiser / Statistician

Commercial Personal Property Appraisal

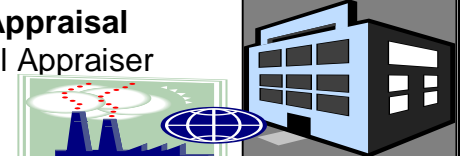
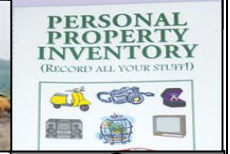
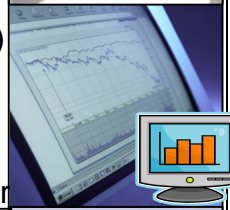
Karen T. Bowers, PP Appraiser / Auditor

Commercial Real Property Appraisal

Kari Burns, Commercial Appraiser

Residential Appraisal

Mary Engle, Appraiser III
 Amy Witt, Appraiser III
 Leanne Erickson, Appraiser III
 Susan Moore, Appraiser III
 Kristina Mayhew, Appraiser I
 Harold Hertlein, Appraiser I
 Kyle Easter, Appraiser I



Thank you to all of the above employees, each of whom contributed to this report

A MESSAGE FROM YOUR COUNTY ASSESSOR

This report has been designed to explain how your ad-valorem property taxes will be apportioned in the 2010 tax year. I will strive continually to make the annual report more informative, easier to use, and more understandable. Please review it and let us know if the staff or I can provide you with any further information.

The total assessed value of Island County declined by approximately 2% from 2008 to 2009, the assessment year upon which 2010 taxes are based. Most taxpayers will experience only a modest increase in their property tax from one year to the next, regardless of the change in value.

The average tax rate for the 2010 tax-year increased from the 2009 rate of \$6.84 to \$7.25 per thousand of assessed valuation because of newly voted levies and a decline in assessed values. For example, voters authorized a 25% increase in the Sno-Isle Library levy, a 52% increase in the Camano Island EMS levy, and Central Whidbey passed a bond to build a new library. Higher budgets and lower values translate into higher tax rates.

Voted levies for bonds to fund capital improvements, local schools, EMS, libraries, and parks and recreation districts still account for the greatest increases in taxes each year. Excluding benefit assessments, voted levies will account for around 32% to 48% of your property tax bill in 2010, depending upon where your property is located.

Island County statistically updates the assessed value of each parcel every year. The appraisers regularly inspect one-sixth of the county annually and inspect all new construction each year. The annual assessment provides a more uniform system of taxation.

To adapt to growth, districts may increase their *regular levy* by collecting additional tax on new construction. The assessor adds new construction to the roll each year. Taxing districts may also collect additional revenue from improvements to land, the aggregate increases in state valued utilities, the addition of any new wind turbines, and annexations. These increases do not affect most taxpayers.

Unless taxpayers approve “lid lifts”, the 1% levy limit is the only increase in the *regular levy* that applies to the majority of taxpayers from year to year. In 2010, since there was a -0.848% Implicit Price Deflator, districts wishing to increase their *regular levy* up to the 1% limit had to hold a public hearing in which they resolved that they had a substantial need to increase the levy.

Long-term planning and the cooperation of the County Commissioners, the Treasurer, and other government officials and department heads will improve the efficiency and effectiveness of our office and others this year by adding new, professionally designed software. We secured grant funding to help offset some of the cost. The software will improve the efficiency of the appraisal, levy, and taxation processes as well as add a GIS mapping function that will be available to the public on-line.

The new systems will save money by enhancing the integration and communication with other departments, agencies, and districts. It will increase the amount of information available to the public, streamline the process of accessing that information, reduce input errors, and increase accuracy.

I want to encourage property owners to review their annual assessment notices each year. If you feel that the valuation does not reflect the fair market value of your property, please contact our office or the Island County Board of Equalization.

You may contact our office toll-free from North or Central Whidbey, from South Whidbey, or Camano Island by using the directory on the first page of this booklet. I look forward to your comments.

Sincerely

A handwritten signature in blue ink that reads "David M. Mattens". The signature is written in a cursive style with a large initial 'D'.

David M. Mattens
Island County Assessor

2010 LOCAL REAL AND PERSONAL PROPERTY TAXES BY TAXING DISTRICT AND LEVY

DISTRICT	LEVY	2009			2010		
		Taxable Valuation	Levy Rate	Local Prop Tax	Taxable Valuation	Levy Rate	Local Prop Tax
STATE							
School Levy	Reg	14,913,470,886.04	1.84678706	27,542,005.05	14,628,002,577.85	1.91908519	28,072,383.11
ISLAND COUNTY							
Current Expense	Reg	14,914,591,763.04	0.47789661	7,127,632.84	14,629,093,831.85	0.48876238	7,150,150.72
Mental health	Reg	14,914,591,763.04	0.01250000	186,432.40	14,629,093,831.85	0.01250000	182,863.67
Developmental Disabilities	Reg	14,914,591,763.04	0.01250000	186,432.40	14,629,093,831.85	0.01250000	182,863.67
Veteran's Assistance	Reg	14,914,591,763.04	0.00000000	0.00	14,629,093,831.85	0.00000000	0.00
TOTAL			0.50289661	7,500,497.64		0.51376238	7,515,878.06
CONSERVATION FUTURES							
Island County	Reg	14,914,591,763.04	0.04449946	663,691.28	14,629,093,831.85	0.04506337	659,236.27
COUNTY ROADS							
Island County	Reg	12,465,563,492.00	0.61407051	7,654,734.93	12,238,032,870.00	0.64363807	7,876,863.86
LIBRARIES							
Coupeville Lib Cap Facilities Imp Area	VBond	Bond Voted in 2009	For 2010 Taxes	0.00	2,295,822,885.00	0.07398609	169,858.96
Sno-Isle Library	Reg	14,647,382,773.82	0.31354388	4,592,597.23	14,356,002,982.85	0.40000000	5,742,401.19
TOTAL				4,592,597.23			5,912,260.15
CITIES AND TOWNS							
Coupeville	Reg	283,819,449.00	1.18221723	335,536.24	285,804,461.00	1.15038852	328,786.17
Langley	Reg	267,208,989.22	1.36794506	365,527.22	273,090,849.00	1.38154205	377,286.49
Oak Harbor	Reg	1,897,999,832.82	1.99998255	3,795,966.55	1,832,165,651.85	2.04456654	3,745,984.59
	VBond	1,885,063,847.00	0.13092395	246,800.00	1,818,600,667.00	0.13968983	254,040.02
TOTAL				4,743,830.01			4,706,097.27
FIRE & RESCUE DISTRICTS							
Camano #1	Reg	3,510,485,204.00	0.86851683	3,048,915.48	3,439,321,289.00	0.88197634	3,033,400.01
	VBond	3,462,787,462.00	0.16528285	572,339.38	3,387,923,916.00	0.16761316	567,860.63
North Whidbey #2	Reg	2,265,183,495.00	0.61913898	1,402,463.40	2,216,476,793.00	0.63105576	1,398,720.45
South Whidbey #3	Reg	4,406,742,798.22	0.51281503	2,259,843.94	4,317,675,183.00	0.51921676	2,241,809.32
Central Whidbey #5	Reg	1,832,133,858.00	0.87784406	1,608,327.82	1,842,888,837.00	0.85677714	1,578,945.03
TOTAL				8,891,890.02			8,820,735.44
EMS DISTRICTS							
Whidbey (Hospital)	VReg	11,131,635,262.04	0.46122957	5,134,239.35	10,926,216,699.85	0.46827008	5,116,420.37
Camano (FD #1)	VReg	3,782,956,501.00	0.32303067	1,222,010.97	3,702,877,132.00	0.50000000	1,851,438.57
TOTAL				6,356,250.32			6,967,858.94
HOSPITALS							
Whidbey Is Public Hospital	Reg	11,131,635,262.04	0.08224835	915,558.63	10,926,216,699.85	0.07741869	845,893.38
	VBond	11,030,883,597.00	0.12035586	1,327,631.48	10,813,302,134.00	0.12080978	1,306,352.65
TOTAL			0.20260421	2,243,190.11		0.19822847	2,152,246.03

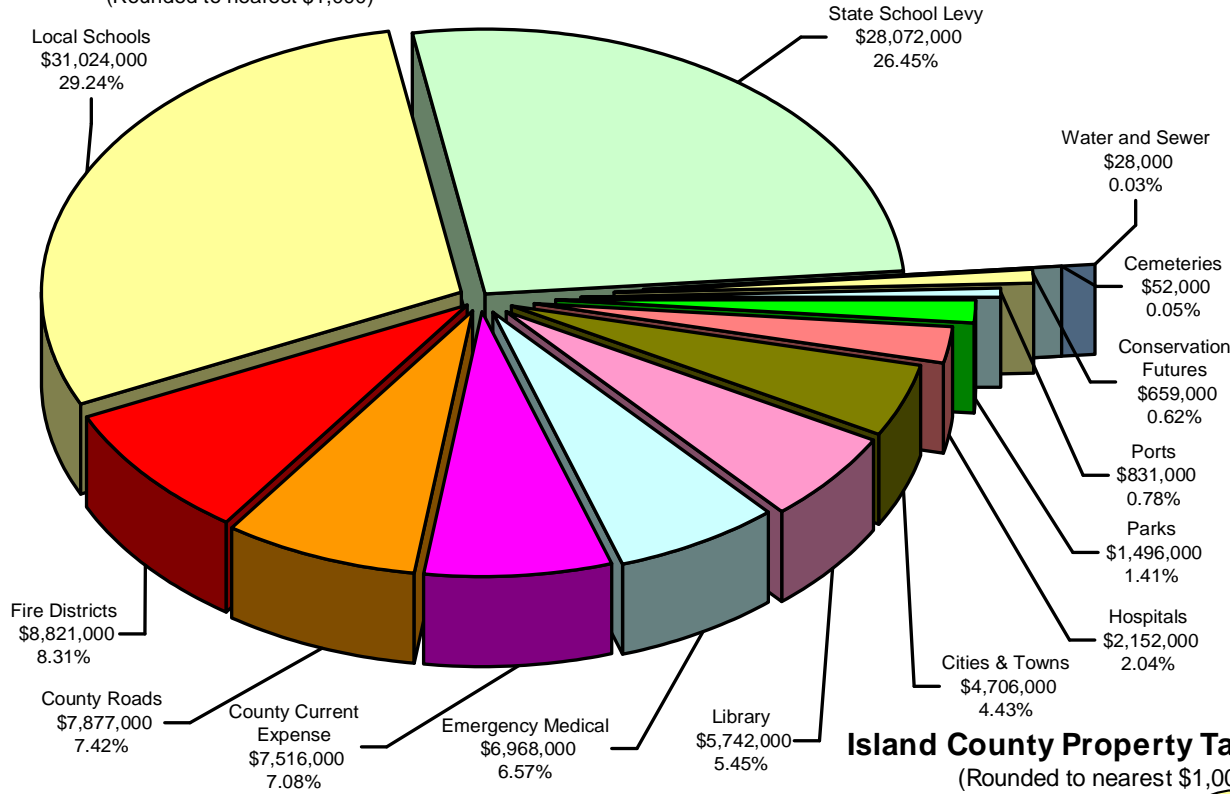
2009 LOCAL REAL AND PERSONAL PROPERTY TAXES BY TAXING DISTRICT AND LEVY

DISTRICT	LEVY	2009			2010		
		Taxable Valuation	Levy Rate	Local Prop Tax	Taxable Valuation	Levy Rate	Local Prop Tax
LOCAL SCHOOLS							
Oak Harbor #201	VM&O	3,995,878,691.00	0.52072102	2,080,738.03	3,885,959,702.00	0.79766467	3,099,692.76
	VBond	3,995,878,691.00	1.52118759	6,078,481.08	3,885,959,702.00	1.51549015	5,889,133.65
Coupeville #204	VM&O	2,287,695,478.00	0.90282225	2,065,382.38	2,295,822,885.00	0.87958116	2,019,362.56
	VBond	2,287,695,478.00	0.82564091	1,888,814.98	2,295,822,885.00	0.86394859	1,983,472.94
Stanwood/Camano #205/401	VM&O	3,735,258,759.00	1.50628460	5,626,362.75	3,651,479,759.00	1.66568814	6,082,226.53
	VBond	3,735,258,759.00	1.01930694	3,807,375.18	3,651,479,759.00	1.08816790	3,973,423.06
South Whidbey #206	VM&O	4,747,309,428.00	0.77466046	3,677,552.91	4,631,519,547.00	0.82018642	3,798,709.44
	VBond	4,747,309,428.00	0.66272961	3,146,182.53	4,631,519,547.00	0.67549951	3,128,589.18
	VCaP	4,747,309,428.00	0.22090987	1,048,727.51	4,631,519,547.00	0.02157457	99,923.04
TOTAL				29,419,617.35		0.20495834	949,268.56
							31,023,801.72
PARKS & RECREATION							
North Whidbey	VReg	4,031,959,440.82	0.13491279	543,962.90	3,925,135,795.85	0.13782913	540,998.05
South Whidbey	VReg	4,790,349,619.22	0.15000000	718,552.44	4,682,141,690.00	0.15000000	702,321.25
	VBond	4,747,309,428.00	0.03437006	163,165.31	4,631,519,547.00	0.05447728	252,312.59
TOTAL				1,425,680.65			1,495,631.89
PORTS							
Coupeville	Reg	2,309,326,202.00	0.15199230	350,999.80	2,318,939,214.00	0.14937197	346,384.52
South Whidbey	Reg	4,790,349,619.22	0.10254982	491,249.49	4,682,141,690.00	0.10346503	484,437.93
TOTAL				842,249.29			830,822.45
CEMETERIES							
North Whidbey #1	Reg	4,031,959,440.82	0.00525255	21,178.07	3,925,135,795.85	0.00550545	21,609.64
Central Whidbey #2	Reg	2,309,326,202.00	0.01316271	30,396.99	2,318,939,214.00	0.01293888	30,004.48
TOTAL				51,575.06			51,614.12
WATER AND SEWER							
Clinton	VBond	329,288,394.00	0.10138656	33,385.42	333,252,727.00	0.08326549	27,748.45
NOTE: The value of properties receiving the senior citizen / disability exemption is not included in the taxable value for voted bonds, school maintenance and operation levies, school capital projects levies, or other special levies, because they are exempt.		TOTAL PROPERTY TAX		\$101,961,194.36	TOTAL PROPERTY TAX		106,113,177.75
		TOTAL TAXABLE VALUE		\$14,914,591,763.04	TOTAL TAXABLE VALUE		14,629,093,831.85
		AVERAGE TAX RATE		\$6.83633827	AVERAGE TAX RATE		7.25357148
Special Levies have been reduced by the estimated receipts from timber harvest taxes.							

Reg – Regular Levy . . **VReg** – Voted Regular Levy . . **VBond** – Voted Bonds . . **VTran** – Voted Transportation Levy . . **LevyVCaP** – Voted Capital Project Levy . . **VM&O** – Voted Local School Maint and Operation Levy

Island County Property Taxes 2010

(Rounded to nearest \$1,000)

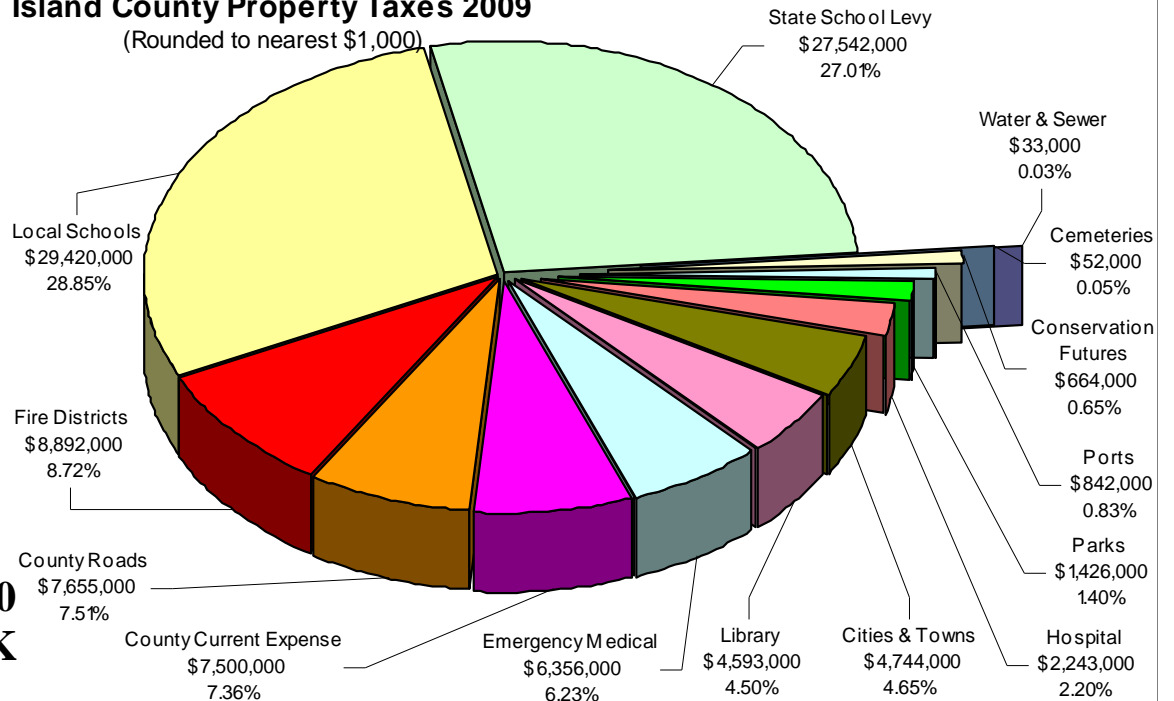


Comparison of Levy Authorized for 2009 with Levy Authorized for 2010

Total Property Tax 2010 - \$106,113,177.75
Average Tax Rate: \$7.25357148/ \$1K

Island County Property Taxes 2009

(Rounded to nearest \$1,000)



Total Property Tax 2009 - \$101,961,000
Average Tax Rate: \$6.83685208 / \$1K

PORTION OF TAXES THAT CAME FROM NEW CONSTRUCTION

DISTRICT	2009 Tax Year			2010 Tax Year		
	2008 Taxable Valuation	2008 Levy Rate	Local Prop Tax	2009 Taxable Valuation	2009 Levy Rate	Local Prop Tax
Cemetery # 1	55,468,714	0.00519723	288.28	41,845,877	0.00525255	219.80
Cemetery #2	48,207,252	0.01310850	631.92	23,108,868	0.01316271	304.18
City Of Langley	3,347,005	1.29798828	4,344.37	11,804,289	1.36794506	16,147.62
City Of Oak Harbor	38,381,431	1.80301537	69,202.31	29,443,770	1.99997670	58,886.85
City: Town Of Coupeville	6,447,533	1.14892833	7,407.75	3,046,815	1.18221723	3,602.00
Conservation Futures Fund	240,707,445	0.04354357	10,481.26	152,485,082	0.04449946	6,785.50
EMS Fire & Resc Dist #1 Cam	56,286,471	0.31735802	17,862.96	25,613,214	0.32303067	8,273.85
EMS Hospital	184,420,974	0.45346971	83,629.33	121,537,937	0.46122957	56,056.89
Fire & Rescue Dist #1 Camano	56,286,471	0.85490429	48,119.55	25,613,214	0.86851683	22,245.51
Fire & Resc Dist #2 No Whid	27,115,165	0.60217265	16,328.01	13,907,199	0.61916332	8,610.83
Fire District # 3 South Whidbey	81,427,983	0.50976099	41,508.81	54,607,608	0.51281503	28,003.60
Fire & Resc Dist #5 Cntrl Whid	40,396,074	0.87492902	35,343.70	17,602,225	0.87784406	15,452.01
Hospital	184,420,974	0.07484689	13,803.34	121,537,937	0.08224835	9,996.29
Island County Roads	194,769,565	0.60059856	116,978.32	108,190,208	0.61407489	66,436.89
Island County Current Exp	240,707,445	0.49201187	118,430.92	152,485,082	0.50289661	76,684.23
Library Sno-Isle	237,360,440	0.31281187	74,249.16	140,680,793	0.31354388	44,109.60
Park & Rec North Whidbey	55,468,714	0.12672976	7,029.54	41,845,877	0.13491279	5,645.54
Park & Rec South Whidbey	48,207,252	0.15207732	7,331.23	23,108,868	0.15199229	3,512.37
Port Of Coupeville	81,427,983	0.10134944	8,252.68	56,583,192	0.15000000	8,487.48
Port Of South Whidbey	81,427,983	0.10203672	8,308.64	56,583,192	0.10254982	5,802.60
State Schools	240,707,445	1.92637429	463,692.63	152,485,082	1.84678706	281,607.48
TOTAL PORTION OF TAXES FROM NEW CONSTRUCTION			1,153,224.72			726,871.12

CONSOLIDATED TOTAL TAX RATE BY TAX CODE AREA FOR 2010 TAX YEAR

Tax Code	Reg Rate	Sr/Disab Rate	Farm Mach & Equip Rate	Tax Code	Reg Rate	Sr/Disab Rate	Farm Mach & Equip Rate
100	8.18515526	5.61150083	6.26607007	342	7.02465139	5.08632577	
106	8.18515526	5.61150083	6.26607007	349	6.16787425		
110	7.27559272	4.84162812	5.35650753	350	7.02465139	5.08632577	5.10556620
111	6.64453696			352	7.02465139	5.08632577	
112	7.27559272	4.84162812		359	6.16787425		
115	6.64453696			370	7.02465139	5.08632577	5.10556620
119	6.64453696			372	7.02465139	5.08632577	
120	7.27559272	4.84162812	5.35650753	379	6.16787425		
122	7.27559272	4.84162812		380	7.02465139	5.08632577	5.10556620
129	6.64453696			382	7.02465139	5.08632577	
150	7.27559272	4.84162812	5.35650753	389	6.16787425		
152	7.27559272	4.84162812		390	7.02465139	5.08632577	5.10556620
159	6.64453696			392	7.02465139	5.08632577	
160	7.27559272	4.84162812	5.35650753	395	6.16787425		
162	7.27559272	4.84162812		399	6.16787425		
169	6.64453696			410	6.77995374		
300	7.53140184	5.59307622	5.61231665	412	6.77995374		
310	7.02465139	5.08632577	5.10556620	419	6.14889798		
311	6.16787425			510	7.82499455	4.90352535	5.90590936
312	7.02465139	5.08632577		511	6.77540505		
315	6.16787425			512	7.82499455	4.90352535	
319	6.16787425			519	6.77540505		
320	7.02465139	5.08632577	5.10556620	540	7.82499455	4.90352535	5.90590936
322	7.02465139	5.08632577		542	7.82499455	4.90352535	
329	6.16787425			549	6.77540505		
330	6.79893001	4.86060439	4.87984482	560	7.82499455	4.90352535	5.90590936
331	6.16787425			562	7.82499455	4.90352535	
332	6.79893001	4.86060439		569	6.77540505		
335	6.16787425			570	7.82499455	4.90352535	5.90590936
339	6.16787425			580	7.82499455	4.90352535	5.90590936
340	7.02465139	5.08632577	5.10556620	589	6.77540505		

CONSOLIDATED TOTAL TAX RATE BY TAX CODE AREA FOR 2010 TAX YEAR

Tax Code	Reg Rate	Sr/Disab Rate	Farm Mach & Equip Rate	Tax Code	Reg Rate	Sr/Disab Rate	Farm Mach & Equip Rate
590	7.82499455	4.90352535	5.90590936	752	6.73742547	4.83991957	
591	6.77540505			759	6.21820871		
592	7.82499455	4.90352535		760	6.73742547	4.83991957	4.81834028
599	6.77540505			762	6.73742547	4.83991957	
670	7.82499455	4.90352535	5.90590936	765	6.21820871		
690	7.82499455	4.90352535	5.90590936	769	6.21820871		
700	7.07532945	5.17782355	5.15624426	770	6.73742547	4.83991957	4.81834028
710	6.73742547	4.83991957	4.81834028	772	6.73742547	4.83991957	
711	6.21820871			779	6.21820871		
712	6.73742547	4.83991957		780	6.73742547	4.83991957	4.81834028
715	6.21820871			782	6.73742547	4.83991957	
719	6.21820871			789	6.21820871		
720	6.82069096	4.83991957	4.90160577	790	6.73742547	4.83991957	4.81834028
721	6.30147420			799	6.21820871		
722	6.82069096	4.83991957		810	6.73742547	4.83991957	4.81834028
729	6.30147420			811	6.21820871		
730	6.73742547	4.83991957	4.81834028	812	6.73742547	4.83991957	
732	6.73742547	4.83991957		819	6.21820871		
739	6.21820871			820	6.73742547	4.83991957	4.81834028
740	6.73742547	4.83991957	4.81834028	822	6.73742547	4.83991957	
742	6.73742547	4.83991957		829	6.21820871		
749	6.21820871			850	6.73742547	4.83991957	4.81834028
750	6.73742547	4.83991957	4.81834028	852	6.73742547	4.83991957	4.81834028
				859	6.21820871		

Note: The differences between three rates:

- the regular rate – the rate paid by taxpayers not entitled to exemptions for age or disability on real property or who do not own qualified farm machinery and equipment.
- the senior/disability rate – the regular rate less the levy rates of voted special levies.
- the farm machinery and equipment rate – the regular rate less the school levy rate paid to the State of Washington.

SENIOR CITIZEN / DISABILITY EXEMPTION REPORT 2009

The report below is filed annually with the Washington State Department of Revenue. It summarizes the tax shift resulting from the senior citizen / disability exemption.



Senior Citizen Relief for the County of

ISLAND

Note: Please combine real property and mobile home value where applicable.

January 1, 2008 assessment rolls for taxes due in 2009.

Income Level	\$25,000 or less	\$25,001 to \$30,000	\$30,001 to \$35,000	Total
Number of Participants	1,070	290	252	1,612

Part I. Freeze in Value: value with no consideration of the exemption

1. Value Prior to the Value Freeze	289,015,535.00	87,201,256.00	71,503,960.00	447,720,751.00
2. Frozen Value	185,866,884.82	59,163,539.03	50,965,943.00	295,996,366.85
3. Difference in Value; #1 minus # 2	103,148,650.18	28,037,716.97	20,538,017.00	151,724,384.15
4. Tax Savings from value freeze (#3 times the total levy rate)	725,261.56	205,214.29	151,739.68	1,082,215.53

Part II. Value of Exempt Property

5. Exempt from Regular value exempted from regular levies	114,117,035.00	17,567,393.00		131,684,428.00
6. Regular Levy Relief # 5 times the regular levy rate	834,698.38	129,155.21		963.853.60
7. Exempt from Special	185,866,884.82	59,163,539.03	50,965,943.00	295,996,366.85
8. Special Levy Relief # 7 times the special levy rate	922,811.12	294,816.55	254,970.22	1,472,597.89
9. Total Relief #4 + #6 + #8; should equal would have paid - actually paid	2,4827,71.06	629,186.06	406,709.91	3,518,667.02

SENIOR CITIZEN / DISABILITY EXEMPTION:

Those eligible for the Senior Citizen / Disability Exemption do not pay taxes for voted special levies such as bonds and local school maintenance and operation levies. The levy rates for special levies are deducted from the regular rate when calculating the tax bills for those eligible for this exemption.

Likewise, the assessed value of those eligible for the senior citizen/disability exemption is subtracted from the total assessed value of the district when calculating the levy rate for special levies. For this reason, the “Sr/Disab Rate” shown in the prior table will always be less than the regular rate applied to most taxpayers.

The taxable value of the property eligible for the senior/disability exemption represents slightly more than 1.12% of the total assessed valuation of the county. In addition to a lower rate, eligible senior citizens and qualifying

individuals with disabilities may be entitled to *reductions* in assessed value, *deferral* of any taxes due by applying the tax to the equity in their homes, or *both*.

This exemption will result in a tax shift in Island County of \$3,518,667.02 or approximately 3.3% in the 2010 tax year. In 2009, this tax shift was \$3,194,328.64 or about 3.13% of the total levy.

If you think that you might be eligible for this exemption, please contact Morrie Parker, who administers this program. She would be pleased to help you determine your eligibility and to complete any necessary paperwork.

TAX SHIFTS RESULTING FROM EXEMPTION AND DEFERRAL PROGRAMS

Tax Shifts occur when a group of taxpayers or properties receives reductions, exemptions, or deferrals of the tax that they would have otherwise had to pay. The tax does not go uncollected, but is spread over the remaining taxpayers in the districts where the tax is collected in Island County tax shifts for 2009 included:

- 1,605 Senior Citizen / Disability Exemptions/Deferrals . . . \$3,518,667.02
- 1,629 Current use Deferrals \$2,611,531.07
- 109 Head of Family Exemptions on Personal Property 5,598.46
- 35 Farm Machinery and Equipment Exemptions 2,094.05

For a total tax shift of. \$6,137,890.60

The tax shift from the programs above represents approximately 5.8% of the \$106,113,177.75 in ad-valorem taxes scheduled to be collected during the 2010 tax year. The tax shift in 2009 was about 5.3%.

FARM MACHINERY AND EQUIPMENT EXEMPTION

Eligible Farm Machinery and Equipment is exempt from the state school levy. Farm Machinery and Equipment is personal property. The levy rate for the school levy collected by the state is subtracted from the regular rate when calculating the tax on farm machinery and equipment.

The value of farm machinery and equipment would not be included in the calculation of the tax rate for the state school levy, because they are exempt from that levy.

The assessed value of those eligible for the farm machinery and equipment exemption is subtracted from the total assessed value of the county when calculating the state levy rate. Farm machinery and equipment eligible for this exemption represents about 0. % of the total assessed valuation of the county. It represents about 0. % of the total, locally-assessed personal property in the county.

BUSINESS PERSONAL PROPERTY TAX

Unless specifically exempted, all tangible personal property is subject to personal property tax. The major categories of taxable personal property include but are not limited to the following:

- The Machinery, Equipment, Fixtures, Furniture, Supplies owned by all businesses and farmers.
- Leased Equipment; any Improvements made to land leased from the government and Improvements to leased structures (Leasehold Improvements).
- Other examples of personal property are Barges, Dredges, Racing Vehicles, Commercial Fishing equipment, Construction equipment, Computer Systems, etc.

All businesses operating in Washington State must file a personal property listing with the county assessor in the county where the property is located on or before April 30th every year. Listing forms, information packages and instructions are available through the local Assessor's office or can be downloaded from the State of Washington Department of Revenue web site: <http://dor.wa.gov/> [***This is not a new tax***]. Business owners are required to contact the Assessor, and file a listing of their personal property at the same time they apply for a Washington State business license.

The Assessor's office is actively pursuing all businesses operating in Island County who have not filed a personal property listing and paid their share of the property tax. If you fail to list, the Assessor can estimate the value of your personal property and the Treasurer can collect up to three years back taxes, including interest and penalties.

For assistance and information about personal property or to request listing forms, contact: Karen Bowers, Auditor-Appraiser in the Island County Assessor's Office, at (360)-678-7854.

Locally-assessed personal property comprises approximately 0.62% of the total taxable value of Island County.

TYPES OF PROPERTY TAXED

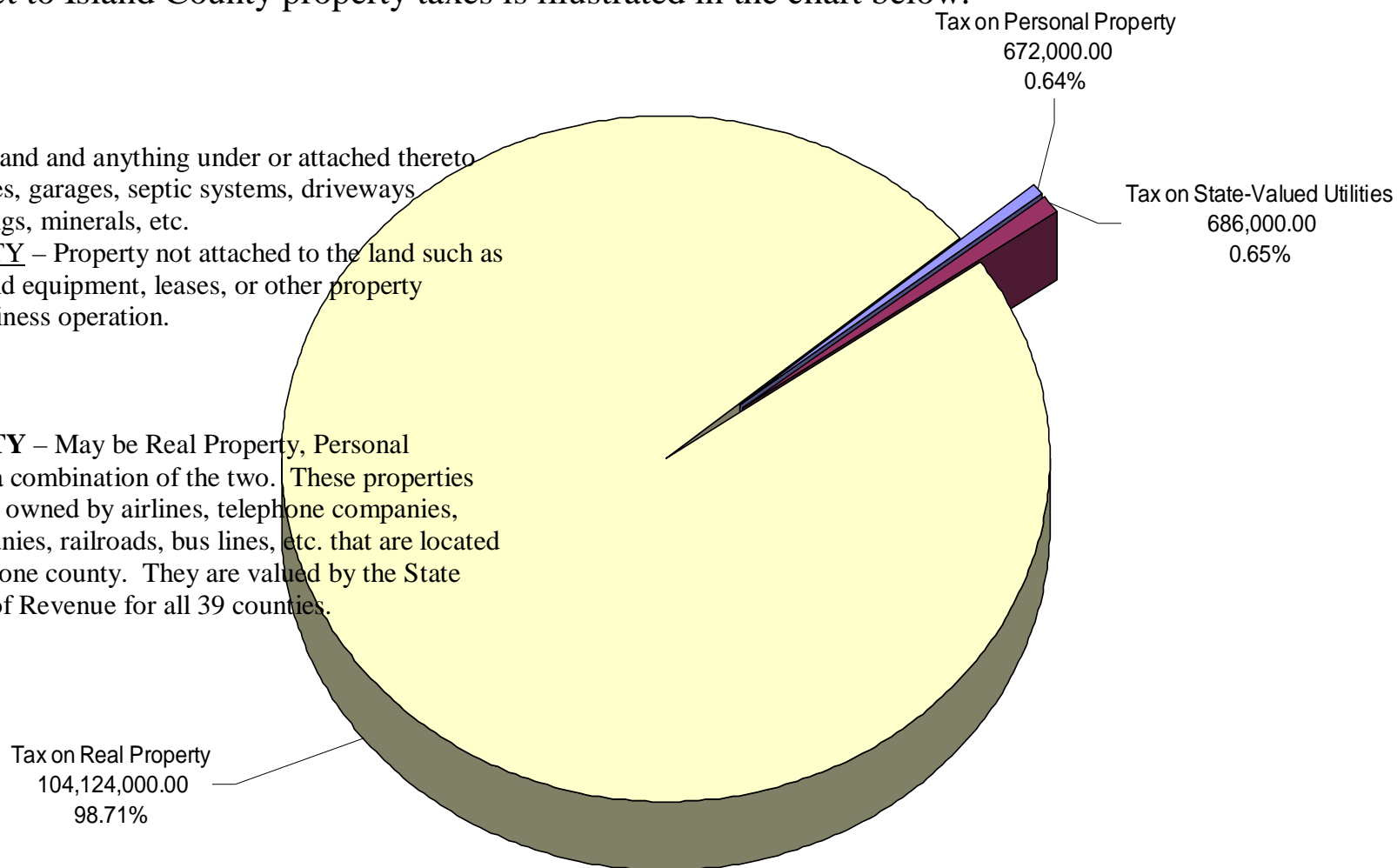
Property Taxes are assessed for all real property, personal property used in business operations, and inter-county utilities, which are valued by the State of Washington. The proportionate share of taxes generated by the various types of property subject to Island County property taxes is illustrated in the chart below.

LOCALLY ASSESSED:

REAL PROPERTY – Land and anything under or attached thereto such as houses, garages, septic systems, driveways, office buildings, minerals, etc.

PERSONAL PROPERTY – Property not attached to the land such as machinery and equipment, leases, or other property used in a business operation.

STATE-VALUED PROPERTY – May be Real Property, Personal Property, or a combination of the two. These properties include those owned by airlines, telephone companies, power companies, railroads, bus lines, etc. that are located in more than one county. They are valued by the State Department of Revenue for all 39 counties.



**DISTRICT
TAX
CODES**

RATES BY TAX YEAR

From 2008 through 2010

	<u>2008</u>	<u>2008 Farm M&E</u>	<u>2008 Seniors</u>	<u>2009</u>	<u>2009 Farm M&E</u>	<u>2009 Seniors</u>	<u>2010</u>	<u>2010 Farm M&E</u>	<u>2010 Seniors</u>
Oak Harbor City	-		-	-		-	-		-
100-106	7.47304385 -6.91%	5.54666956 -5.86%	5.23800056 -9.29%	7.68454124 2.83%	5.83775418 5.25%	5.39135282 2.93%	8.18515526 9.53%	6.26607007 12.97%	5.61150083 7.13%
Rural N. Whidbey									
110-112-114-120-122- 140-150-152-160-162	6.74227706 -6.71%	4.81590277 -5.41%	4.63775640 -9.41%	6.78684423 0.66%	4.94005717 2.58%	4.62457976 -0.28%	7.27559272 7.91%	5.35650753 11.23%	4.84162812 4.40%
N. Whidbey Timber									
111-115-119-129- 159-169	6.14010441 -6.69%			6.16770525 0.45%			6.64453696 8.22%		
Coupeville City									
300-306	7.35421752 -11.09%	5.42784323 -11.53%	5.49210137 -9.05%	7.32524025 -0.39%	5.47845319 0.93%	5.47642123 -0.29%	7.53140184 2.41%	5.61231665 3.40%	5.59307622 1.84%
Rural Central. Whidbey									
310-312-314-340-342- 350-352-370-372-380- 382-390-392	6.80588775 -11.63%	4.87951346 -12.32%	4.94377160 -9.59%	6.75709353 -0.72%	4.91030647 0.63%	4.90827451 -0.72%	7.02465139 3.21%	5.10556620 4.63%	5.08632577 2.88%
Lagoon Point Water									
320-322	6.80588775 -11.63%	4.87951346 -12.32%	4.94377160 -9.59%	6.75709353 -0.72%	4.91030647 0.63%	4.90827451 -0.72%	7.02465139 3.21%	5.10556620 4.63%	5.08632577 2.88%
Lagoon Point Timber									
321-329	5.93095873 -12.03%			5.87924947 -0.87%			6.16787425 3.99%		
Sierra/San de Fuca									
330-332	6.53313138 -11.58%	4.60675709 -12.31%	4.67101523 -9.41%	6.49838845 -0.53%	4.65160139 0.97%	4.64956943 -0.46%	6.79893001 4.07%	4.87984482 5.93%	4.86060439 4.06%
Admirals Cove Water									
390-392	6.80588775 -11.63%	4.87951346 -12.32%	4.94377160 -9.59%	6.75709353 -0.72%	4.91030647 0.63%	4.90827451 -0.72%	7.02465139 3.21%	5.10556620 4.63%	5.08632577 2.88%

**DISTRICT
TAX
CODES**

RATES BY TAX YEAR

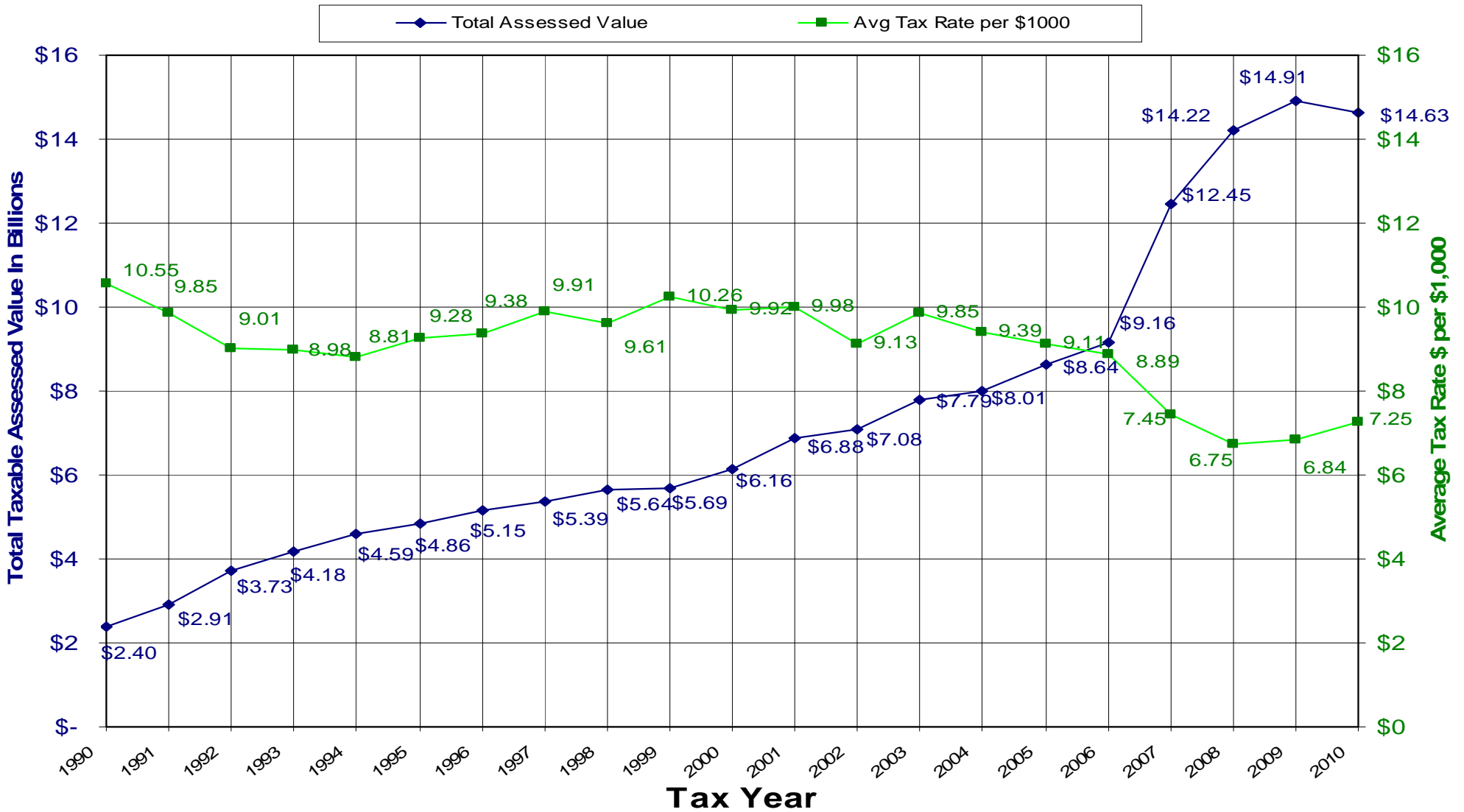
From 2008 through 2010

	<u>2008</u>	<u>2008 Farm M&E</u>	<u>2008 Seniors</u>	<u>2009</u>	<u>2009 Farm M&E</u>	<u>2009 Seniors</u>	<u>2010</u>	<u>2010 Farm M&E</u>	<u>2010 Seniors</u>
Central Whidbey Timber 311-315-319-331-335- 339-349-359-361-379- 389	5.93095873 -12.03%			5.87924947 -0.87%			6.16787425 3.99%		
Central Whidbey BLA 410412	6.74227706 -6.71%	4.81590277 -5.41%	4.63775640 -9.41%	6.47339878 -3.99%	4.62661172 -3.93%	4.62457976 -0.28%	6.77995374 0.56%	4.86086855 0.93%	4.84162812 4.40%
Central Whidbey Timber BLA 419	6.14010441 -6.69%			5.85425980 -4.66%			6.14889798 0.14%		
Camano Island 510-512-540-542-560- 562-580	7.05921038 -9.82%	5.13283609 -9.83%	4.54760247 -9.71%	7.20421941 2.05%	5.35743235 4.38%	4.51334502 -0.75%	7.82499455 10.85%	5.90590936 15.06%	4.90352535 7.83%
Camano Island Timber 511-515-519-549-569- 589-591-599-691-699	6.13022747 -11.00%			6.17041973 0.66%			6.77540505 10.52%		
Cam. Is. Mosquito 570-590-592-670-690- 692	7.05921038 -9.82%	5.13283609 -9.83%	4.54760247 -9.71%	7.20421941 2.05%	5.35743235 4.38%	4.51334502 -0.75%	7.82499455 10.85%	5.90590936 15.06%	4.90352535 7.83%
Langley City 700-706	6.71484333 -10.84%	4.78846904 -15.88%	5.00138176 -10.99%	6.88399682 2.52%	5.03720976 5.19%	5.07097096 1.39%	7.07532945 5.37%	5.15624426 7.68%	5.17782355 3.53%
Rural S. Whidbey 710-712-714-730-732- 740-742-750-752-760- 762-770-772-780-782- 790	6.33026548 -10.03%	4.40389119 -10.13%	4.61680391 -9.89%	6.44366615 1.79%	4.59687909 4.38%	4.63064029 0.30%	6.73742547 6.43%	4.81834028 9.41%	4.83991957 4.83%
Clinton Water Dist. 720-722-724	6.43664611 -10.18%	4.51027182 -10.34%	4.61680391 -9.89%	6.54505271 1.68%	4.69826565 4.17%	4.63064029 0.30%	6.82069096 5.97%	4.90160577 8.68%	4.83991957 4.83%

DISTRICT TAX CODES	RATES BY TAX YEAR								
	From 2008 through 2010								
	2008	2008 Farm M&E	2008 Seniors	2009	2009 Farm M&E	2009 Seniors			
Clinton Timber 721-729	5.92688512 -10.17%			6.03223768 1.78%			6.30147420 6.32%		
S. Whid. Timber 711-715-719-739- 749-759-765-769-779- 789-799-811-819-859	5.82050449 -10.01%			5.93085112 1.90%			6.21820871 6.83%		
Dike District 1 810-812-814-850-852	6.33026548 -10.03%	4.40389119 -12.45%	4.61680391 -9.89%	6.44366615 1.79%	4.59687909 4.38%	4.63064029 0.30%	6.73742547 6.43%	4.81834028 9.41%	4.83991957 4.83%
High:	7.47304385 -9.65%	5.54666956 -9.59%	5.49210137 -9.05%	7.68454124 2.83%	5.83775418 5.25%	5.47642123 -0.29%	8.18515526 9.53%	6.26607007 12.97%	5.61150083 2.17%
Low:	5.82050449 -10.01%	4.40389119 -10.13%	4.54760247 -9.71%	5.85425980 0.58%	4.59687909 4.38%	4.51334502 -0.75%	6.14889798 5.64%	4.81834028 9.41%	4.73325599 4.08%
Wtd. Average:	6.74962418 -9.36%			6.83633827 1.28%			7.21047336 6.83%		

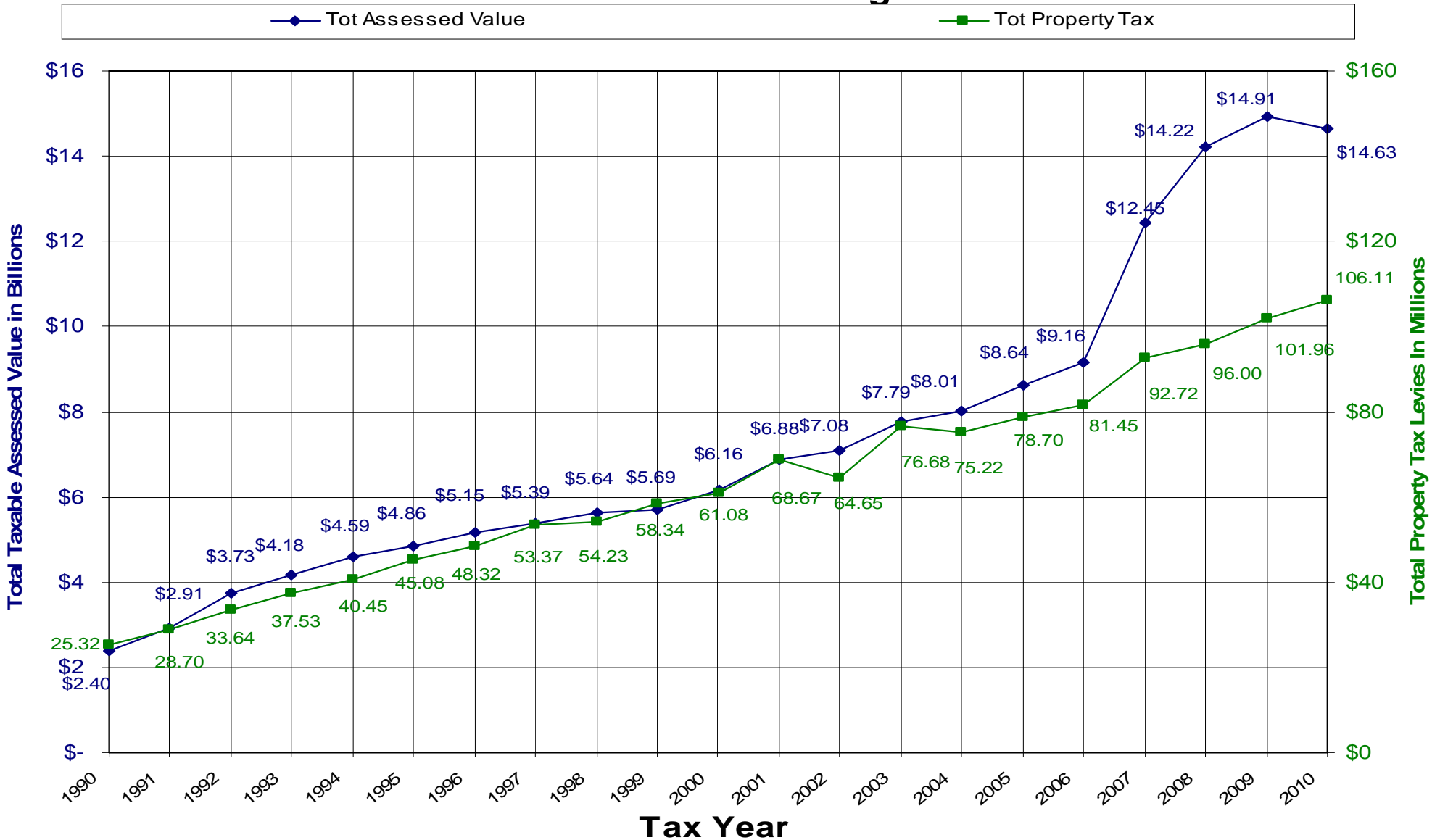
- Taxes are based upon the value of the previous year. For example 2010 taxes are based upon the 2009 assessed value.
- Tax rates are calculated by dividing the amount of tax authorized for a taxing district by the value of property in the district that is subject to that tax.
- Taxes are either authorized by voters, or the taxing districts' administrative bodies (commissioners or council members).
- Property taxes are not automatic. A district must request the taxes, regardless of how or when they were authorized.
- The Assessor has a duty to ensure that taxing districts do not exceed constitutional or statutory limits.

Inverse Relationship between Total Assessed Value and the Average Property Tax Rate In Island County 1990-2010 Tax Yr



Tax Rates are a function of the total amount of tax authorized and the assessed value of a taxing district. When assessed values increase at a faster rate than the amount by which taxes are allowed to increase, the tax rate will decrease. The assessments shown in the chart above were actually made in the prior year. For example, the 2010 tax rate was calculated by dividing the 2009 assessed value into the amount of tax authorized to be collected in 2010. The 2009 assessment is listed in the 2010 tax year in the above chart.

Growth in Total Assessed Value Compared to Total Property Taxes Levied from the 1990 through 2010 Tax Years



Note: Assessment years are the year before the tax year. For example, the assessments used for the 2010 tax year were the assessments as of 1/1/2009. The assessments in the chart above are paired with the Tax Year in which the taxes were collected, even though the assessment was actually made the previous year.

REGULAR LEVY DISTRICTS WITH UNLEVIED BANKED CAPACITY AVAILABLE

Island County Current Expense	\$	473.96
Island County Roads		2,869.12
Port of South Whidbey		3,419.47
TOTAL BANKED CAPACITY AVAILABLE	\$	6,762.56

Banked capacity occurs when a district chooses to levy less than the highest lawful levy for its regular levy. Banked capacity does not apply to special levies. Banked capacity may be levied in future years if needed.

WHAT ARE THE LIMITS FOR REGULAR LEVIES?

Regular levies are limited each year to the lesser of:

- the statutory rate limit multiplied by the assessed (taxable) value of the district,
- a one percent (1%) increase in the highest lawful levy from the previous year plus additional amounts that could have been levied for
 - any new construction,
 - improvements to land,
 - aggregate increases in state valued utilities,
 - any new wind turbines, and
 - any annexations;
- the certified budget submitted by the district to the county;
- the amount specified in the annual ordinance or resolution to increase the levy; or
- a prorated amount when the sum of the regular levies for any tax area exceeds 1% of the assessed value or when the sum of the regular levies, excluding the state levy, exceeds \$5.90 per thousand of assessed valuation.

REFUNDS

Occasionally, refunds of taxes are made to taxpayers as a result of decisions made by the board of equalization or the state board of tax appeals, errors in assessments discovered and corrected by the assessor, court orders, exemptions, etc. Generally, had the changes that resulted in the refund been made prior to the tax bills having been mailed, the affected taxing districts would have collected the correct amount of taxes, but the rates would have been slightly different and the taxes would have been distributed among the taxpayers in a slightly different way.

As a result, state law allows districts to collect any lost revenue as a result of these refunds in the following year.

Administrative refunds from the previous year may be added to the levy calculation, when requested by a district, provided that the newly calculated rate does not exceed the statutory levy rate or constitutional limit.

Court ordered refunds must be added to the following year's levy, provided they do not exceed the statutory rate or constitutional limit.

Administrative refunds totaling \$572,498.01 were applied to the regular levies of the taxing districts in 2010 as shown in the chart on the following page. Administrative refunds decreased over 65% from the prior year's \$1,639,479.30.

Administrative refunds are taxes that districts were entitled to collect during previous years that (due to new exemptions, value adjustments by administrative bodies, error corrections, etc.) were refunded to taxpayers. Paying these refunds reduces the lawful taxes that otherwise would have been paid to the affected taxing districts. Administrative refunds may be collected in the following year at the request of the affected districts.

Court-ordered refunds are issued by courts for reasons similar to administrative refunds, but are required by law to be collected on behalf of the taxing district and paid from a refund fund established by the county treasurer. Per RCW 84.69.060 and WAC 458-19-085, collection of these refunds is mandatory, and districts may not opt not to collect them.

**Administrative Refunds Requested By Taxing Districts
& Court-Ordered Refunds
FOR TAX YEAR 2009**

District	Administrative Refund Amount	Court-Ordered Refund Amount	Total Refunds 2009
Cemetery # 1 - North Whidbey	-		-
Cemetery #2 - Central Whidbey	260.10		260.10
City Of Langley	10,977.57		10,977.57
City Of Oak Harbor	91,637.57		91,637.57
City: Town of Coupeville	1,184.67		1,184.67
Conservation Futures	10,118.82		10,118.82
County Roads	104,672.24		104,672.24
EMS - Whidbey Hospital	83,778.44		83,778.44
EMS: Camano Fire & Rescue District # 1	12,706.71		12,706.71
Fire & Rescue Dist # 2 - North Whidbey	24,118.80		24,118.80
Fire & Rescue Dist #5 - Central Whidbey Island	11,363.15		11,363.15
Fire & Rescue District # 1 - Camano	32,586.27		32,586.27
Fire District # 3 - South Whidbey	36,780.93		36,780.93
Hospital District - Whidbey Island	14,932.69		14,932.69
County Current Expense	114,461.32		114,461.32
Library: Sno-Isle Regional Library	-		-
Park & Rec - North Whidbey	11,576.54		11,576.54
Park & Rec - South Whidbey	-		-
Port of Coupeville	3,012.27		3,012.27
Port of South Whidbey	8,329.92		8,329.92
Oak Harbor School 201	-		-
Coupeville School 204	-		-
Langley School 206	-		-
Camano Stanwood School 205/401	-		-
TOTAL	572,498.01	-	572,498.01

Taxes that were refunded in the prior year due to reasons listed in RCW 84.69.020 are eligible to be recovered by taxing districts in subsequent years.

TIMBER ASSESSED VALUE

Timber assessed value (TAV) is a method designed to reduce the tax rate for voted special levies, making up any loss in their budgeted values by adding the estimated timber tax to be collected in a district. For school maintenance and operation (M&O) levies, the law states that instead of the TAV, that the greater of 80% of the 1983 timber roll or one-half of the timber assessed value be used. The timber assessed value is shown in the chart below. Some districts either have no voted special levies or have no timber value in them and are unaffected by this procedure. *The total property tax savings to Island County taxpayers amounted to \$20,115.00 in 2010.*

FOREST LAND ASSESSED VALUE	TAV (Timber Assessed Value)	FOREST LAND ASSESSED VALUE	Timber Assessed Value	FOREST LAND ASSESSED VALUE	TAV (Timber Assessed Value)	80% 1983 Timber Roll (Schools Only)	FOREST LAND ASSESSED VALUE	TAV (Timber Assessed Value)
Total Forest Land Assessed Value	9,641,644.36	Central Whidbey Island Fire & Rescue Dist #5	171,884.56	Oak Harbor Sch Dist 201	571,666.42	385,179.00	Juniper Beach Wtr	-
Island Co Cur Exp	9,641,644.36	Hospital	8,223,124.59	Coupeville Sch Dist 204	4,082,508.06	658,388.00	Lagoon Point Wtr	-
Conservation Futures Fund	9,641,644.36	Hospital Bonds	8,223,124.59	Stanwood Sch Dist 205	1,418,519.77	666,997.00	Lakeview Terr Wtr	-
Island County Roads	9,619,812.39	Hospital EMS	8,223,124.59	S Whidbey Sch Dist 206	3,568,950.11	1,453,621.00	Ledgewood Bch Wtr	-
Oak Harbor	-	North Whidbey Park & Rec	571,666.42	State Schools	9,641,644.36		Long Beach Wtr	-
Coupeville	21,831.97	North Whidbey Voted Bonds	571,666.42	Admiral Cove Wtr	-		Main St Sewer	-
Langley	-	S Whidbey Park & Rec	3,568,950.11	Bayview Beach Water District	18,202.69		N Whidbey WD	-
Sno-Isle Library	9,641,644.36	S Whidbey P&R Voted Bonds	3,568,950.11	Bush Point Wtr	-		Penn Cove Wtr & Swr	-
Coupeville Library Cap Facility Bond	4,082,508.06	Port of Coupeville	4,082,508.06	Camano Vista Wtr	-		Rhodena Beach Wtr	-
Camano Fire & Rescue District #1	467,612.28	Port of Mabana	355,937.07	Clinton Wtr	71,319.64		Saratoga Wtr	-
Fire & Rescue District # 1 EMS	8,223,124.59	Port of So Whidbey	3,539,957.13	Crockett Lake Wtr	-		Scatchet Head Wtr	-
Fire & Rescue Dist # 2	104,114.80	Cemetery # 1	571,666.42	Freeland Wtr	4,860.15		Swantown Wtr	-
Fire District # 3	603,220.46	Cemetery #2	4,082,508.06	Holmes Harbor Wtr	-		Dike District # 1	-
							Mosquito Control #1	141,478.76

Definition of Assessment –to-Sales Ratios

Assessment to sales ratio divides a sale price into the assessed value.

Ratios that are above 100% Indicate property is assessed above the sale price.

Ratios below 100% of the assessed value indicate that the assessment is below the sales price.

Median is the middle ratio for an odd number of sales the average of the two middle ratios for and even number of sales when sales are arranged from highest to lowest.

Arithmetic mean is the average of all of the individual Assessment-to-sales ratios.

Weighted mean is the total assessed value of the properties that sold divided by the total sales as of a particular assessment date.

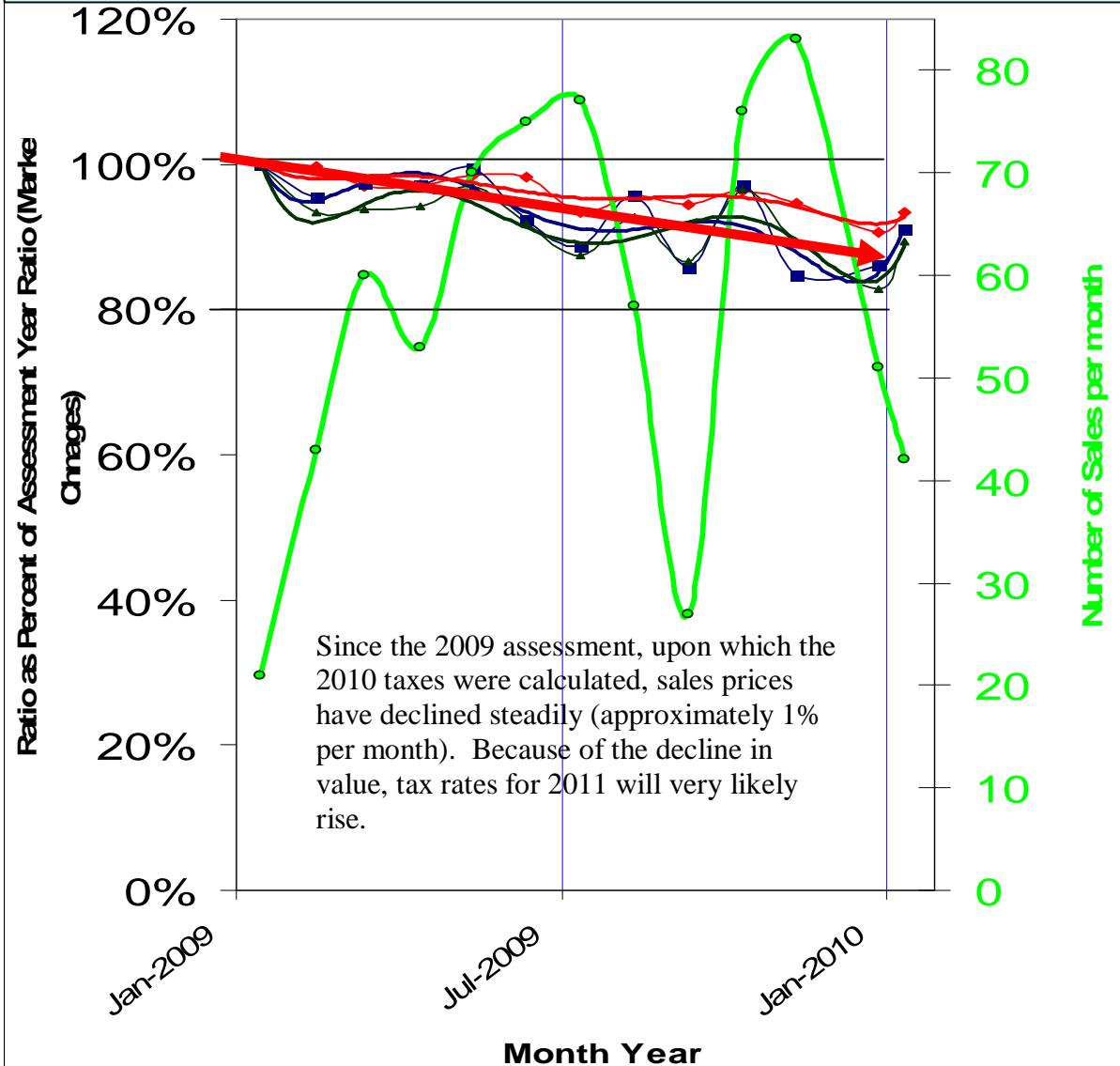
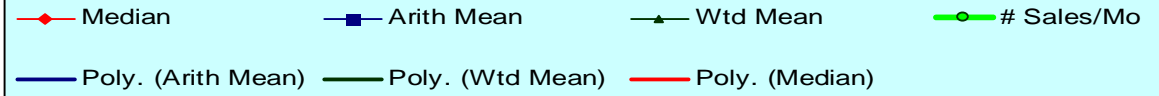
The index is calculated by dividing the assessment-to-sales for January 2009 by the monthly assessment-to-sales ratios for each month thereafter.

Assessment-to-Sales Ratios Jan 2009 to Jan 2010

Month	Median	Arith Mean	Wtd Mean	No of Sales	Median as %of 2009	Arith Mean as %of 2009	Wtd Mean as %of 2009
Jan 2009	99.40	99.92	96.34	21	100	100	100
Feb 2009	99.74	104.63	103.10	43	99.66	95.5	93.44
Mar 2009	102.45	102.64	102.71	60	97.02	97.35	93.8
Apr 2009	102.39	102.81	102.17	53	97.08	97.19	94.29
May 2009	100.92	100.40	99.45	70	98.49	99.52	96.87
Jun 2009	101.15	108.11	104.82	75	98.27	92.42	91.91
Jul 2009	106.43	112.55	110.10	77	93.39	88.78	87.5
Aug 2009	103.94	104.30	103.91	57	95.63	95.8	92.71
Sep 2009	105.16	116.48	111.15	27	94.52	85.78	86.68
Oct 2009	103.16	102.77	99.79	76	96.36	97.23	96.54
Nov 2009	104.95	117.84	107.80	83	94.71	84.79	89.37
Dec 2009	109.75	116.00	116.39	51	90.57	86.14	82.77
Jan 2010	106.37	109.76	107.74	42	93.45	91.03	89.42

Based upon the index above, Sales Prices declined between roughly 9% and 18% from January 2009 through December 2010. There was a slight upturn in January 2010.

Sales Trend as Percentage of 2009 Assessment to Sales Ratio For All Improved Sales Except Manufactured Homes Jan 2009 - January 2010



POPULATION GROWTH:

Island County is the 5th most densely populated county in Washington State. It ranks 14th of the thirty-nine counties in overall population, but is next to the smallest in land mass.

Although the overall growth rate in Island County was about average for the state, the population of people 65 and older has increased by approximately 41% since the year 2000. That was the 6th highest increase among the thirty-nine counties in the state. Revised figures will be posted on our website as information from the 2010 census becomes available.

HOUSING GROWTH:

The increase in the number of residential housing units in Island County since the year 2000 exceeded the state average by 36%. Kittitas, Whatcom, Mason and Island Counties had about a 19% average growth in housing units since the year 2000. Only Franklin, Clark, and Thurston Counties had a higher percentage growth in housing units during that time period.

Increase in Housing Units in Island County Compared to the Average for the State of Washington			
	2000	2008	Percentage Increase
Total	32,378	38,446	19%
Unincorporated	23,250	27,646	19%
Incorporated	9,128	10,800	18%
Coupeville	814	924	14%
Langley	542	625	15%
Oak Harbor	7,772	9,251	19%
WASHINGTON STATE AVERAGE	2,451,081	2,805,340	14%

Source of Population, Growth, and Housing Statistics:

*Population Trends 2008
State of Washington
Office of Financial Management
Forecasting Division
Olympia, WA 98504-3113
September 1, 2008
www.ofm.wa.gov*

Additional Information can be found on the Island County Assessor's Website
<http://www.islandcounty.net/assessor/index.html>