

Envision SeaTac 2044 Proposed Citywide Rezones

Frequently Asked Questions: **Property Value & Taxes**

How Will Property Values be Affected by New Growth and Development?

According to the City of Shoreline, which recently undertook a rezoning process, analysis from more than twenty (20) reputable studies found that **property values in new developments near neighborhood centers and high-capacity transit generally rise in value, from 0% to 32%**, the closer they are to transit stations or centers. This is the case for all land use types—commercial, mixed use, employment, residential, etc.

- Positive value effects occur as a result of rezoning as well as being in proximity to high capacity transit and/or neighborhood centers.
- Negative effects on property value would not be anticipated as a result of new growth and development near transit stations and/or neighborhood centers.
- For property owners, the most typical effect is a 5% to 10% increase in value within ½ mile of the transit stations or a new neighborhood center/special district. However, exact potential increases in values are difficult to predict.
- It is important to remember that property values are affected by a wide range of factors, including other adjacent land uses, the size and condition of the property and structures, zoning, overall economic conditions, etc.
- Increased values related to development would likely be less for single family properties that would need to be aggregated with other properties to create a sufficiently-sized parcel for redevelopment compared to larger sized parcels that are more readily sized and configured for redevelopment.

How Will Increases in Property Values Affect Property Taxes?

Assessors typically revalue properties once a year in King County and a physical inspection is required at least once every six years.

Property taxes can be increased based on increased changes in property value, but in Washington State there are property tax levy limitations that restrict the amount property taxes can be increased. For example, Washington State's constitution limits the regular (non-voted) combined property tax rate that applies to an individual's property to one percent of market value (\$10 per \$1,000). Voter approved special levies, such as special levies for schools or parks, are in addition to this amount.

Senior citizens, veterans with 100 percent service-connected disability, and people with disabilities on limited incomes are eligible for exemption from paying some property taxes depending on their income levels. This program freezes the value of residential property as of January 1 of the initial year of application, exempts all excess levies, and may exempt a portion of regular levies thereby reducing the amount or property taxes due (as authorized by the County Assessor).

More information is available at:

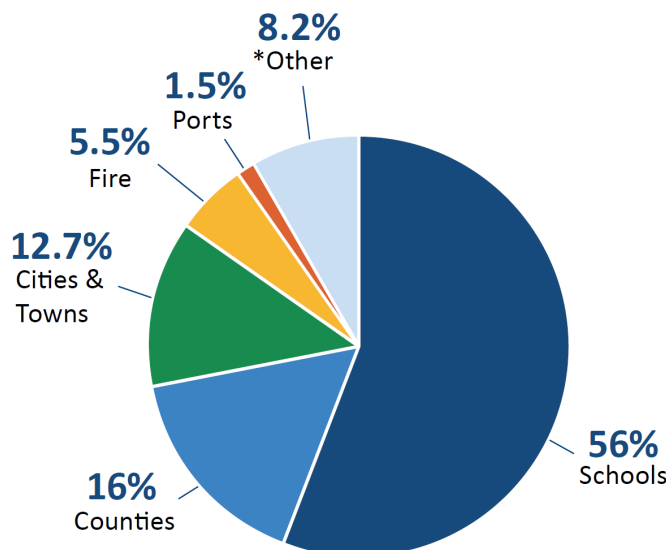
<https://dor.wa.gov/sites/default/files/2022-02/HomeOwn.pdf> and

<https://dor.wa.gov/taxes-rates/property-tax/property-tax-exemptions-and-deferrals>

- Churches, government entities, and many nonprofit agencies are exempt from property tax if they use property for tax-exempt purposes, as determined by the Department of Revenue.
- Tax rate adjustments will affect annual property taxes. In a strong market, property values go up everywhere, tax rate adjustments downward can minimize the tax impact. In a flat market with little adjustment, increases in value related to proximity to high capacity transit and transit-oriented development may lead to additional property taxes.
- Exact potential increases in property taxes are difficult to predict due to legal limitations for various property owners and many other factors.

What Do Property Taxes Pay For?

How property taxes are spent varies by location, but according to State Department of Revenue data from 2015 indicates that approximately 56 percent were used to finance schools, 16 percent went to general county government and roads, 12.7 percent went to cities, city related services, and local capital improvements, 5.5 percent went to fire districts, 1.5% went to ports, and 8.2% went to other facilities and taxing districts, such as regional libraries, emergency medical, parks and recreation, etc.



** Other includes regional libraries, parks and recreation, emergency medical, and hospital districts. (Distribution of 2015 tax year)*