

Bonanza

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around the basin

Huge property tax hikes proposed for Douglas County

By Jeff Munson
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Proposed property tax hikes were discussed among Douglas County, leaders yesterday in a contentious debate over a state imposed plan to raise taxes on the Lake Tahoe side of the county.

Douglas County Assessor Doug Sonnemann announced last month the county will be forced to increase property values as much as 60 percent on the Lake Tahoe side of Douglas County come October.

Although the meeting outcome was unavailable by press time, if approved by the Nevada Tax Commission, appraised land values would increase by 45 percent along Kingsbury Grade to 60 percent along Highway 50.

The tax commission has directed Sonnemann to come up with an updated land appraisal plan, saying in part that county property taxes collected at the lake are not enough to meet the state's needs.

Douglas County commissioners will discuss the plan today beginning at 1:30 p.m. at the Tahoe Administration-Building, 175 Highway 50, Stateline.

Appraisals were last done for the region in 2000 and 2001. Sonnemann said there hasn't been a need for large-scale property tax hikes because there haven't been

enough land sales on the Nevada side of Lake Tahoe to justify the increases.

However, pressure from the state's tax department has forced the change, mirroring changes in Washoe County, which saw property taxes go up by as much as 49 percent in one year.

With plans to attend today's meeting, Lakeview property owner John McCall says the proposed tax spike could force an exodus of longtime property owners who wouldn't be able to meet the financial demands.

There are two major issues at stake, McCall says, First, there are many property owners who are on fixed incomes that bought properties at a time when the values were much lower. Many of those people would be forced from their properties if the tax goes through, he said.

"There would be a major problem with this because we are already a community with 50 percent full-time residents," he said. "The more residents we lose, the more, part-time buyers there are and we lose our sense of community."

Secondly, what property taxes that are collected at the lake wind up footing much of the bills for the valley side of the county, he said.

This disparity is "terribly distorted" McCall said. "We already have a significant outflow

of tax funds going to valley. The lake is taxed to support the valley. In addition, the expenditures at the lake, per taxpayer, are significantly less. This will exacerbate the situation greatly," he said.

If the property tax goes through, then the money generated from taxes ought to stay at the lake, McCall said.

"If it is paid here, spend it here. If the 'money is raised through property taxes at the lake, then a significant and greater fraction of it should be spent at the lake for our needs," he said.

The proposed plan is twofold. First; land values on homes along Kingsbury Grade would increase by 45 percent, with a formula of a 15 percent increase per year since the 2001 appraisal. Because property along the Highway 50 corridor was last appraised in 2000, the increase would be 60 percent or 15 percent multiplied by four years.

The 15 percent per year formula is based on two years worth of land sales, the sale and resale value of homes and the median sale price in 'the Lake Tahoe Basin for' a single-family residence.

For a home along the Highway 50 corridor with a taxable land value of \$500,000, an additional \$2,300' would be added to the property tax bill.