

**TESTIMONY OF THE OFFICE OF STATE TAX COMMISSIONER
BEFORE THE
PROPERTY TAX MEASURE REVIEW COMMITTEE
INITIATED CONSTITUTIONAL MEASURE No. 2**

NOVEMBER 2, 2011

Chairman Drovdal, members of the Property Tax Measure Review Committee, I am Marcy Dickerson, State Supervisor of Assessments and Director of the Property Tax Division for the Office of State Tax Commissioner. I am here today to provide an estimate of property taxes and in-lieu taxes that will be levied for 2011 and 2012.

Whenever one is trying to estimate future property taxes, it is necessary to make some assumptions. I have assumed that growth in property valuations from 2011 to 2012 will be similar to the growth experienced from 2010 to 2011. An exception is the valuation of agricultural land, which is expected to grow about 20 percent from 2011 to 2012, due to the expiration of the capitalization rate floor and also due to good production.

Mill rates for 2011 are not yet available, so I have assumed that 2011 and 2012 mill rates will be similar to 2010. Obviously, mill rates may change. Greater value will enable taxing districts to raise a similar amount of revenue with fewer mills, but if more revenue is required, the mill rates may increase.

The attached recap sheet shows actual 2010 property taxes levied, actual 2010 valuation-based in-lieu taxes levied, and 2010 in-lieu taxes that are not based on property valuation. Also shown are estimated 2011 and 2012 property taxes, and estimated 2011 and 2012 valuation-based in-lieu taxes. I have not estimated 2011 and 2012 in-lieu taxes not based on property valuation.

That concludes my prepared testimony. I will try to answer any questions.

Recap:		Estimated	Estimated
Taxes on:	<u>2010</u>	<u>2011</u>	<u>2012</u>
Agricultural Land	\$164,736,328	\$174,924,634	\$209,909,561
Residential Property	325,084,844	345,567,367	367,338,111
Commercial Property	180,261,384	197,656,368	216,730,208
Centrally Assessed Property	<u>45,370,645</u>	<u>51,483,049</u>	<u>58,417,816</u>
Subtotal Property Taxes	\$715,453,201	\$769,631,418	\$852,395,696
In-lieu taxes Based on Property Valuation	\$4,501,372	\$4,256,901	\$4,616,962
Subtotal Property Taxes and Valuation-Based In-Lieu Taxes	\$719,954,573	\$773,888,319	\$857,012,658
In-Lieu Taxes NOT Based on Property Valuation	\$523,413,205		
Subtotal Property Taxes and All In-lieu Taxes	\$1,243,367,778	NA	NA