

Property values in Nevada increase almost 34 percent

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CARSON CITY - The total value of property in Nevada has increased 33.4 percent in the past year to just under \$114.5 billion.

According to the annual Department of Taxation report on property tax rates and values, Nevada schools and local governments can expect a total of \$2.7 billion in property tax revenues during the 2006-7 fiscal year.

According to data in the report approved by the commission Monday, that is nearly a billion less than those entities would have collected if the 2005 Legislature hadn't capped residential property tax increases at 3 percent a year and businesses at 8 percent.

Without those caps, property tax collections would have gone up by almost the same 33.4 percent total assessed values went up.

The bulk of that reduction was in Clark County where total property tax collections will be \$727.5 million less than they would have been without the caps enacted by lawmakers. Projections say governmental entities and schools in Clark will still collect more than \$2 billion in property taxes this coming fiscal year.

The financial hit to Carson City and its schools was \$8.85 million, mostly to the city's general fund which will absorb about \$6 million of that. Altogether, the Capital district will generate an estimated \$15.1 million in property tax revenue.

But Douglas County, with soaring home values in the Lake Tahoe Basin suddenly limited to 3 percent and 8 percent, will receive \$55.8 million - an estimated \$34.4 million less than it would have. That includes not only the reduction

to county coffers but school district revenues, towns and special districts as well as the state's share of revenues collected in Douglas.

Those reductions, officials point out, are money that stays in the homeowners' bank accounts instead of government treasuries.

The reduction in Washoe County is \$23.4 million and in Lyon, \$4.29 million.

The reductions in Carson City and Douglas County will occur even though both counties raised their property tax rates dramatically this year. Carson upped its rate from \$2.69 per \$100 of assessed valuation to \$3 - a total increase of just over 30-cents. Douglas increased its rate from \$2.39 to \$2.97 - about 58 cents.

Carson Finance Director Tom Minton said both counties have long tried to keep their rates well below the amount permitted county governments by the state. He said with the 2005 cap legislation, however, raising the rate doesn't raise actual taxes. For a family living in their own home, the maximum annual increase in taxes is capped at 3 percent.

Douglas Comptroller Claudette Springmeyer said the same is true in Douglas.

"Even though it's a tax rate increase, it doesn't change the tax bill," she said.

The reason for the increase, according to both, is to capture the full value of new construction, which will go on the tax rolls at full market value and at the higher tax rate.

Minton pointed out that most other counties in the state are already using the maximum allowable rate for general operations.

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