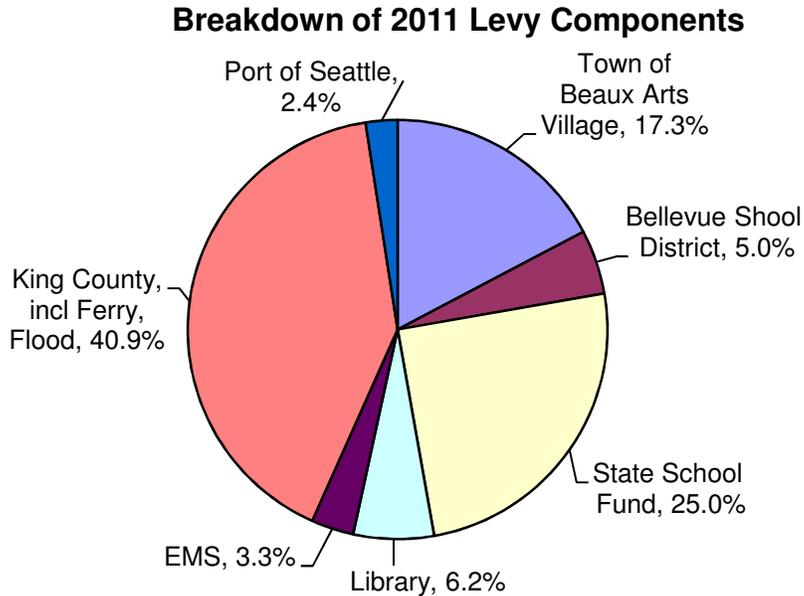


## A PRIMER ON BEAUX ARTS PROPERTY TAXES

The Town's 2012 budget incorporates a 1% property tax increase as allowed by state statute. This amounts to a total of \$1,435 for the entire Town – about \$12 per household on average. Unlike many cities in Washington, Beaux Arts finances are in good order, so why is the Town increasing property taxes? The Council remains concerned about managing the Town's reserves given the current economic climate and believes it is prudent to increase the Town's property tax levy to protect these reserves. This chart depicts how your property-tax payment is split among the various taxing agencies.



**If the Town only increased property taxes by 1% why does my tax bill increase by more than that?** Your property taxes are increasing because of other taxing agencies outside of the Town's control and/or because of changes in your property's assessed value relative to the total assessed value of property in Beaux Arts Village. Many of the increases that are beyond the Town's control are not subject to the same 1% limits as the Town's increases.

**My home's assessed value just skyrocketed!** The King County Assessor's office is in charge of determining each of our property's assessed value; the Town has no control or say in this process. In times when property values are changing, changes in the assessed value tend to lag changes in the market place. For more information about property assessments, please visit the County Assessor's website at [www.kingcounty.gov/Assessor/QuickAnswers/Levies.aspx](http://www.kingcounty.gov/Assessor/QuickAnswers/Levies.aspx).

**My home's assessed value increased and I'm now paying a lot more to the Town; what does Beaux Arts do with this new money?** While it may seem otherwise, the reality is that you are not paying a lot more to the Town. In 2012, the Town will receive about \$1,435 in new property-tax revenue from its base property tax amount; divided among the 117 homes in Beaux Arts that amounts to an average increase of about \$12 per household. Of course, not

everyone's assessment changes by the same amount. As mentioned above, some property owner's assessments go down, while some are unchanged or modestly increase. As the value of an individual home increases, an individual homeowner may end up paying a higher proportion of the total property tax amount collected.

It is important to emphasize that an increase in assessed value does not result in any "windfall" or new revenue for the Town. If your home's assessed value increases, you may find that you are paying a higher proportion of the total tax amount collected from property taxes. But, by law, the Town cannot increase that total collected amount by more than \$1,435 in 2012.

**How does the Council set the property-tax levy?**

In the fall the Mayor and Council work to develop a budget that accurately reflects the anticipated revenues and expenditures on a line-by-line basis for the coming year. An important part of that review is a look at how those revenues and expenditures may be affected over the next three to five years and at what level the Town should maintain its reserves to ensure that the Town remains financially healthy and viable. Because of the uncertainty in the current economic and because about almost 90% of the Town's revenue comes from either property or sales taxes (a reality that the Town cannot change), the Council believes the 1% property-tax increase is a prudent measure.