Montesano Banks Another Percent of Property Tax

Local News

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Posted on : November 29, 2012 at 4:44 am

Montesano, WA - The city of Montesano this week opted again to skip it's annual property tax increase, avoiding a hike of about $8 per ratepayer. Councilman Rich Klinger said before the vote "I know we could use it, but on the other hand for the people that aren't working; that adds up. There's a lot of people that are barely making their house payments."The council voted to do the same last year, a common practice for taxing authorities wanting to give their ratepayers a break. However as Community Development Director Mike Wincewicz pointed out last night, they could be making a tough pill to swallow for future generations. There's no limit to how many years a municipality can bank that 1% increase "so if council chooses to bank one percent for ten years in a row, a new elected body comes on board, they can bump property taxes 11% in one year." Since 1986, the state Legislature has allowed the practice, The agencies can exceed the 1 percent increase because they didn't collect the taxes allowed in years past, choosing to "bank" the increases instead.The Montesano council voted to bank their 1% for a second year, next year the council will decide on a 3% increase. The state department of revenue estimates there is about $108-million in "Banked Capacity," or about 3.4% more than current levies statewide.