



CP16#0676

I'd like a property taxes and pepperoni pizza

Posted on April 16, 2015

by Kaitlin Gillespie



Columbian File

I'm about to drop some tax knowledge using culinary analogies.

Among the concerns about Alternative 4 of the Comprehensive Growth Management Plan is the fear that the creation of 8,000 new lots in rural lands will raise property taxes. County Assessor Peter Van Nortwick, who hasn't been shy in his support of Alternative 4, said at Tuesday's council meeting that's not entirely true.

Tax increases "would only happen if people's value increases more than everyone else's value," Van Nortwick said. "If someone's property taxes are increasing, the rest of our property taxes are decreasing."

But as was pointed out to me several times, Van Nortwick told the council more than a year ago, when Alt 4 was just an idea, that tax rates are certain to increase if people are further allowed to subdivide their properties.

"What you are doing is you're making their property more valuable," Van Nortwick told the then-commissioners. "And when you make their property more valuable, the percent of the total value of the county goes up, and that's why it shifts over. You're only going to get that property tax shift if you actually increase the value of their property."

So which is it? Will taxes increase or decrease?

Kind of both.

Van Nortwick explained it to me Thursday in terms I can understand: with pizza.

Say you and your buddy are buying a pizza valued at \$12. He gets half, you get the other half. You can't cut it up. You can't divide it. You're going to eat your half of a pizza and you're going to be happy about it. So you each are going to pay \$6, right?

Now try this scenario. Your buddy gets to divide his half into three slices. The ability to subdivide his pizza, however, comes with a cost—the pizza is worth more. Now he has to pay \$3 for each slice or \$9 for the half. But the pizza itself is still only worth \$12—taxes are a "zero-sum game," Van Nortwick said—so you only have to pay \$3 for your half.

So what does this mean for landowners? Yes, if your property can be subdivided, it's worth more, and therefore, your property taxes are higher. However, because your taxes are just a part of a whole, that means the rest of the county's taxes actually decrease.

Unless, of course, voters approve levies or the council approves a property tax increase, in which case, of course your taxes will go up.

If you're confused or doubt what Van Nortwick explained, you're not the only one.

"Your explanation?" Councilor Jeanne Stewart told him Tuesday. "Let me just say it. I'm not buying it. I think it's only a piece of a picture. I don't think it's the reality of what is going to hit people over the next couple years."



Kaitlin Gillespie

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Comments

27 comments

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Linda Noble Tubbs · Top Commenter · Vancouver, Washington

Taxes to the property owner who subdivides do not go up. Once the lot is sold and built on, the new property owner pays new taxes. It is the only way the county can increase property tax beyond the 1 per cent. New construction, new development. Strangely, alternative 4 increases revenues to the county, it is the only way to do so. So, mr Madore is probably facilitating the one thing he would have wished to not occur. Increased tax revenue to the county.

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Fran Hammond · Top Commenter · Vancouver, Washington

Linda Noble Tubbs - I do understand what you are saying regarding the 1%, but does that mean that even though valuation may go up, taxes cannot or will not? I am asking regarding property that is not being sub-divided or sold.

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Linda Noble Tubbs · Top Commenter · Vancouver, Washington

Fran, that is my understanding. Tax revenues go up by adding new construction.

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Dylan Normington · Top Commenter

Fran Hammond - Property taxes for a parcel will increase when the parcel increases in value. Value is added to a parcel when it becomes easier to build on the parcel. Current rural property will increase in value if it can be divided and sold off in pieces. Even if a rural property owner does not divide and sell his/her parcel, the taxes on it would rise because of Alternative 4.

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Terry Whipps Conner · Top Commenter · Owner at Owner of Fishers Landing Hypnotherapy

Assessor VanNortwick, can you explain your support for Alt 4?

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Peter Van Nortwick · Top Commenter · Assessor at Clark County Assessor's Office

Terry, Absolutely. In our county we have too many non-conforming lots. It is very easy for homeowners to make a non-conforming lot illegal which creates a lot of issues for the owner and my office. I feel that if the zoning reflected what is the reality in a section it would be a benefit to rural land owners and also allow for reasonable growth in our unincorporated area. I haven't poured over the map, but the understanding of how new zoning was selected was by reviewing

what the current parcels sizes were and putting the zoning to match what is already reality on the ground. This could allow a 10 acre piece surrounded by 1 acre lots to be re-zoned to 10 1 acre lots, but it isn't changing the nature of what is happening in the section. We don't know how many illegal lots there are in the county and a legal lot determination cost an owner about \$800. If zoning reflected what was reality the chances of making a lot illegal less likely and bring a number of illegal lots into the realm of legal lots. A property that has been deemed illegal, can not get any permits even to repair a roof or replace a hot water tank and per State law it is illegal to sell an illegal lot. So what happens is people quit paying taxes on a worthless lot. The County forecloses on the unbuildable lot and must put it on the auction block as is buyer beware. We have people that come in and bid on these lots sometimes 10s of 1000s of dollars because it looks like a beautiful lot to build their dream home. All tax sales are final, the taxes are paid off and the remainder goes to the owner that let the property go into foreclosure. Last sale, the county sold 3 lots that were unbuildable and a hard working man paid over \$100,000 for the lots. Only a \$1000 or so was owed in taxes so the remainder went to the previous owner. The previous owner had bought them in a foreclosure auction for \$5,000. It happens with unbuildable lots and illegal lots.

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Peter Van Nortwick · Top Commenter · Assessor at Clark County Assessor's Office

I hate spell check!. It should be unbuildable and illegal lots.

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Dylan Normington · Top Commenter

Peter Van Nortwick - This alternative does not follow Washington's state laws regarding growth management. This alternative will make it harder for farmers to acquire land (having to buy 4 5-acre lots is much harder than 1 20-acre lot) and it will make life worse for wildlife by increasing human population in rural areas. Why do you support an alternative that violates Washington state law?

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Fran Hammond · Top Commenter · Vancouver, Washington

Wow! More spin than the hand-tossed crust!!

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Michele Wollert · Top Commenter

It's all over my head, sad-to-say, but I very much appreciate your contacting Mr. Van Nortwick and getting an explanation, [Katie Gillespie](#). :)

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Matt Jeffries · Top Commenter

First, I prefer pepperoni over baloney any day.

Second, so you are saying that the person responsible for our tax appraisals theory is nonsense? It seems like this would be his area of expertise. You would think he has a pretty good grasp of how taxes rise and fall.

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Steve Lappier · Top Commenter · Ridgefield High School

Clark County Assessor Peter Van Nortwick explained to Mielke that regardless of whether a property owner subdivided, taxes would go up because the land would become more valuable. - This is your pizza guy on 1/22/14.

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Katie Gillespie · Top Commenter · County Government Reporter at The



Steve Lappier · Top Commenter · County Government Reporter at The Columbian

That's what he's saying today too. These aren't mutually exclusive ideas the way he explained it to me.

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Steve Lappier · Top Commenter · Ridgefield High School

I could agree with the neighbor not subdividing has a lower tax rate than the newly subdivided neighbor, but, not a lowered tax rate. I hadn't seen where they were going to grant lower tax rates to non sub-dividers.

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Steve Lappier · Top Commenter · Ridgefield High School

Nonsense. Their theory is baloney disguised as pepperoni.

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Jackie Lane · Top Commenter · Parsons School of Design, NYC

so, subdivide or not, if you COULD subdivide your property is worth more. so your neighbor makes more money off his lot, you have a new subdivision next door, and you get to pay higher taxes, while folks downtown get a break on your back. Nice math. Thanks Councilors.

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Dylan Normington · Top Commenter

Jackie Lane - You described it perfectly. Madore's Alternative 4 will increase tax bills for rural residents, while homeowners like me in Felida could see a decrease (because the rural residents see an increase). Every rural resident needs to be aware that their taxes could go up. It's so ironic that Madore's plan will decrease the taxes on the "downtown mafia" and people living in the urban areas, while the people he thinks he's helping will see higher taxes, even if they don't subdivide their land. Talk about unintended consequences. Every rural resident needs to be made aware that their taxes will go up as a result of Madore's "kindness" to them by changing their zoning.



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