



# 2016-2017 Tax and Fee Comparison Report

## Property tax and utility fee comparison among cities in the Portland metro region

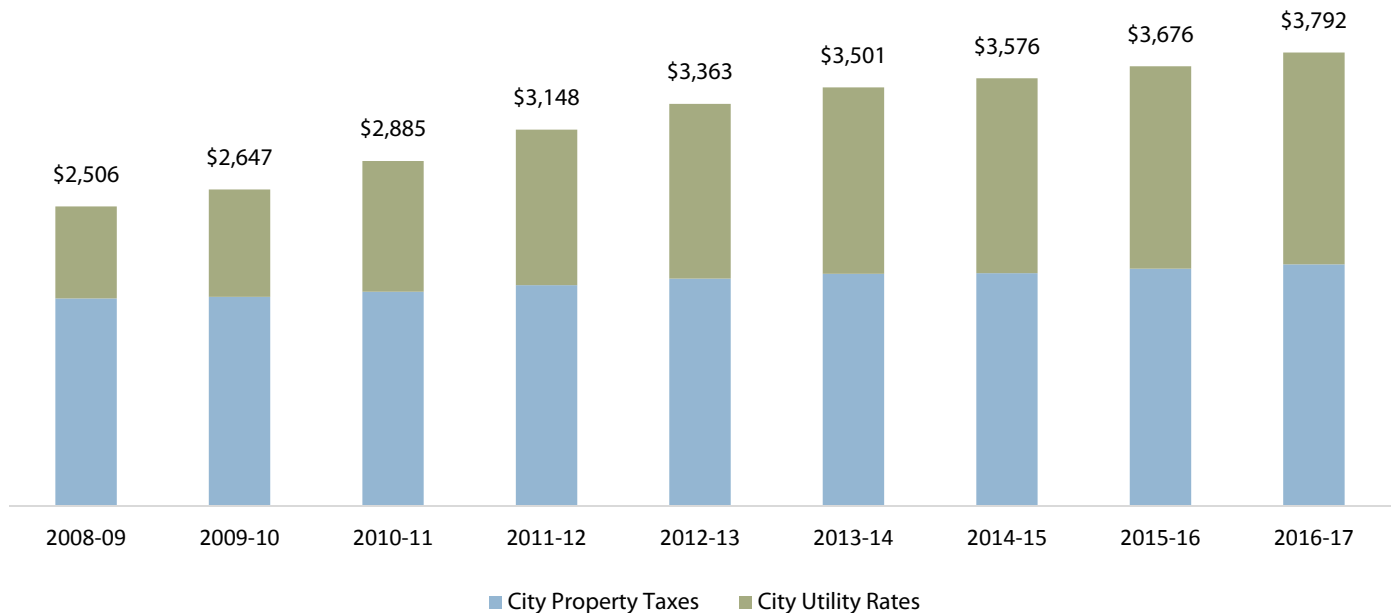
The City regularly conducts a study of the costs of taxes and utilities in Lake Oswego and how they compare to other communities in the Portland metropolitan area. The cities used in the comparison include Beaverton, Gresham, Hillsboro, Lake Oswego, Milwaukie, Oregon City, Portland, Sherwood, Tigard, Tualatin, West Linn, and Wilsonville. In addition to property taxes and utility rates, private utilities such as Northwest Natural Gas, PGE, and solid waste and recycling services are included to compare total basic household utility costs across jurisdictions. *Note that the comparison uses an average assessed value of \$400,000 to compare regional property taxes. Private utility costs are based on average household use in Oregon.*

The comparison is a snapshot in time and will likely change each year as communities add or decrease debt, pass bonds or new taxes, or increase rates for infrastructure projects. This information was obtained through the County assessor offices, Department of Energy, city fee schedules, and U.S. Census Bureau's American Community Survey.

### LAKE OSWEGO TAXES AND FEES

A household in Lake Oswego with an assessed value of \$400,000 will pay roughly \$3,800 for city government services and utilities. The trend for the cost of municipal services over the last 10 years is shown below. Substantial city utility rate increases beginning in 2008 were for the Lake Oswego Interceptor Sewer Project and the Lake Oswego – Tigard Water Partnership project.

Trend of Annual City Property Taxes and Utility Fees for Typical Lake Oswego Home



## PROPERTY TAX RATES

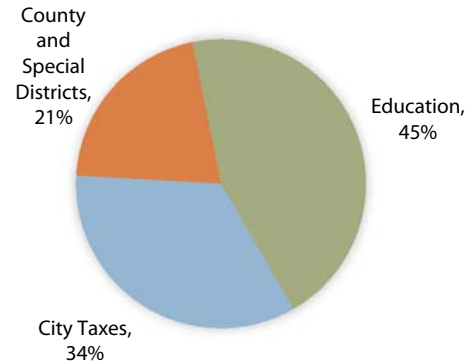
Property tax bills are calculated using the assessed value (AV) of a property. A property's assessed value is the lesser of its real market value (what your property would have sold for as of January each year) or its established maximum assessed value limit. Property taxes may only increase 3% annually<sup>1</sup> if the assessed value is lower than its market value, or if improvements are made to the property which increases its value. Property tax bills include amounts for several taxing districts including municipalities, school districts, counties, and special service districts that can include Metro, Tri-Met, fire, and parks.

The City's permanent tax rate is \$4.9703 per \$1,000 of a property's assessed value. This rate has remained unchanged since 2004. Of a total property tax bill, the City receives approximately 34%.

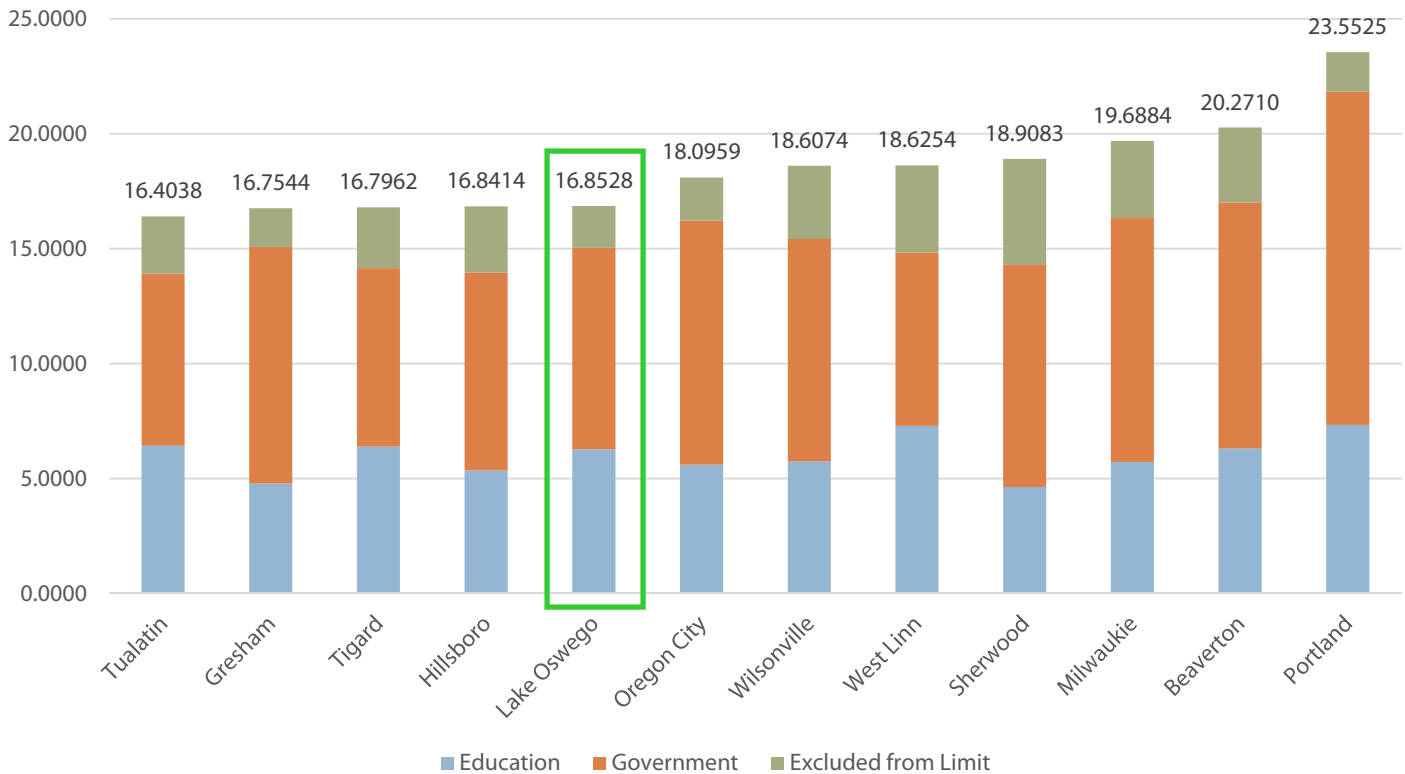
Property tax bills are prepared using the following Measure 5 limitation categories: Education, General Government, and Excluded from Limit Taxes.<sup>2</sup> (See Appendix A for detailed property tax information).

The following chart compares the property tax rates for cities in the metro area.

Property Tax Distribution



Property Tax Rates Comparison



<sup>1</sup> Oregon Measure 50 set an original maximum assessed value and capped increased at 3% annually.

<sup>2</sup> Excluded from Limit Taxes, typically general obligation bonds, are not subject to the \$15 per thousand limit set by Oregon Measure 5.

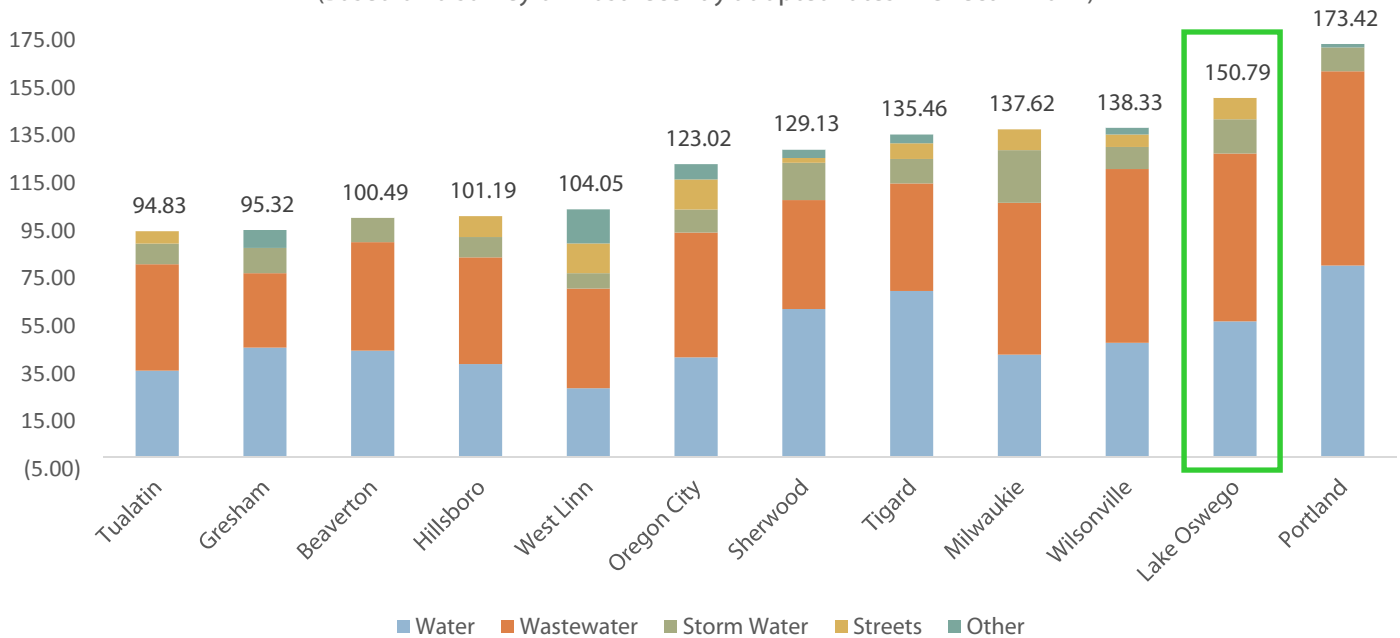
## UTILITY FEES COMPARISON

Property owners pay a variety of public and private utility fees. Public utility fees pay for water, sewer, storm water, street fees, and/or parks services. Private utilities include Portland General Electric (PGE), Northwest Natural Gas, and garbage and recycling disposal.

### Public Utilities

Public utilities include water, wastewater (sewer), storm water, street fees, and other (e.g., parks and public safety). The comparison shows the average city utility customer's total monthly bill. The typical residential customer uses 10 ccf (1 ccf – 748 gallons) of water and 8 ccf of sewer per monthly billing cycle.

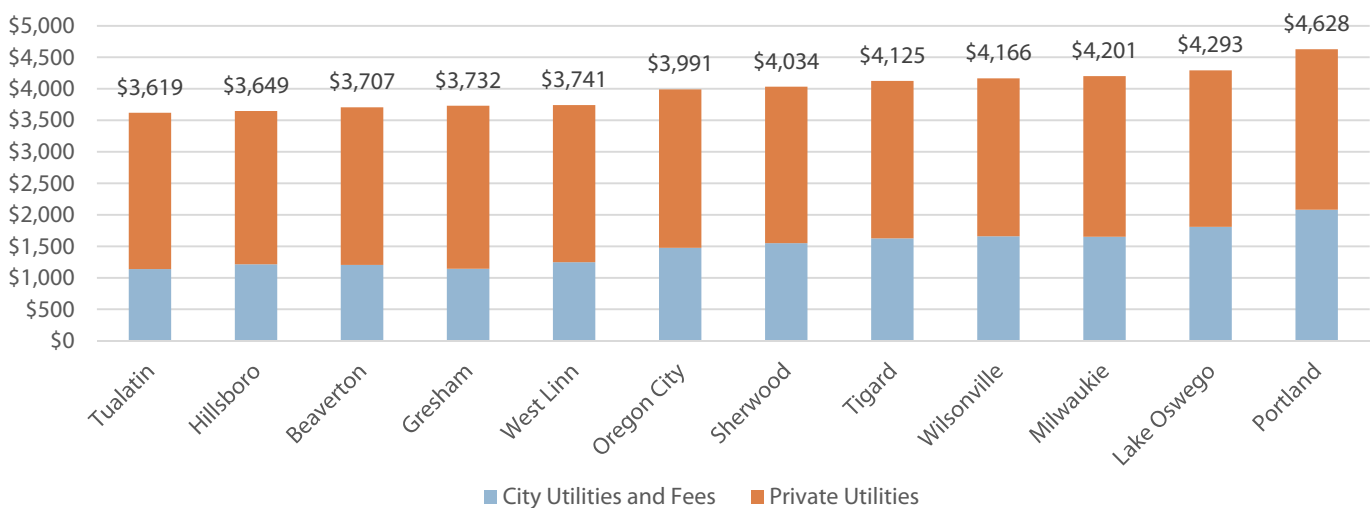
Public Utility and Service Fees Comparison  
(Based on a survey of most recently adopted rates in effect in 2017)



### Private Utilities

Private utilities include garbage collection fees, Portland General Electric (PGE), and Northwest Natural Gas. PGE and NW Natural monthly costs were calculated using the same pricing formula and average usage rates. Fluctuations in costs result from different franchise fees per city. Franchise fees are assessed by each city in exchange for exclusive service rights and to pay for infrastructure improvement. Rates are typically 3.5% to 5% of gross sales.

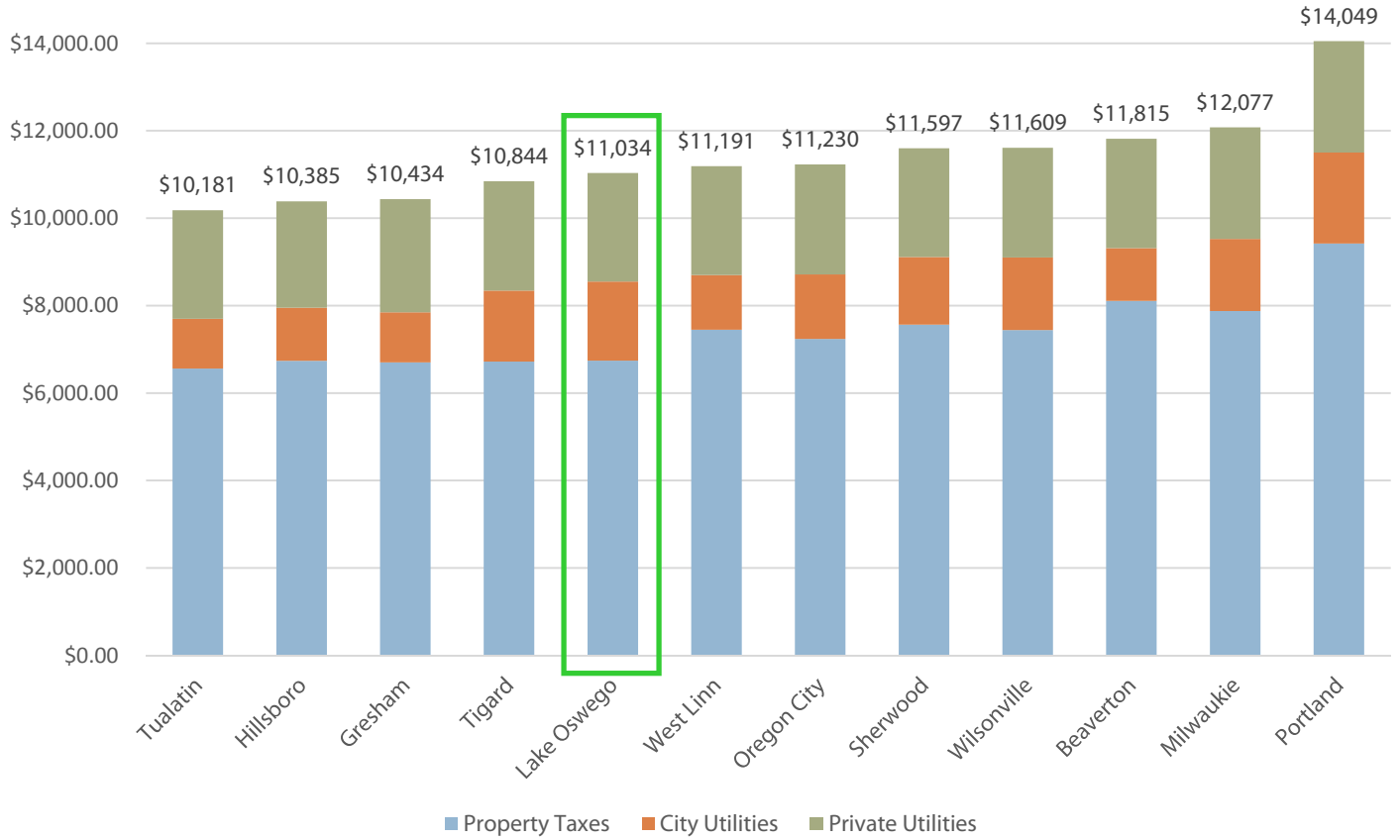
Annual Cost of Public and Private Household Utilities



## TOTAL TAXES AND FEES COMPARISON

The following chart highlights the total annual costs for homeownership in each city. The total costs include property taxes for all taxing districts and service and utility fees for a residential property with an assessed value of \$400,000 in each city. Costs related to homeownership include property taxes, utility fees, energy, gas, and garbage and recycling. The total average cost for a homeowner in Lake Oswego with an assessed value of \$400,000 is about \$11,000.

Comparison of Total Cost of Homeownership (\$400,000 AV)



## Appendix: Example Average Property Tax Statement for Lake Oswego Residential Property

The following chart is an example of a typical property tax statement for a residential property within the City of Lake Oswego. Tax rate is represented as a percentage per thousand dollars of a property's assessed value (AV) as assessed by the County Assessor. This report uses Lake Oswego's average assessed value for a residential property, \$400,000, to compare cost. Regional tax rate averages are included for each tax category: Education, General Government, and Excluded from Limits.

<b>Tax District</b>	<b>Tax Rate</b>	<b>Total Cost</b>
<b>Education</b>		
COM COLL PORTLAND	0.2701	\$108
ESD CLACKAMAS	0.3497	\$140
SCH LK OSWEGO	4.2576	\$1,703
SCH LK OSWEGO LOC OPT	1.3900	\$556
<b>Total Education</b>	<b>6.2674</b>	<b>\$2,507</b>
<b>General Government</b>		
CITY LK OSWEGO INSIDE SCH	4.7333	\$1,893
COUNTY CLACKAMAS C	2.2885	\$915
COUNTY EXTENSION & 4H	0.0475	\$19
COUNTY LIBRARY	0.3768	\$151
COUNTY PUBLIC SFTY LOC OPT 2012	0.2392	\$96
COUNTY SOIL CONS	0.0475	\$19
PARK LK GROVE	0.0412	\$16
PORT OF PTLD	0.0667	\$27
SRV 2 METRO - OREGON ZOO	0.0918	\$37
SRV 2 METRO LOC OP 2013	0.0960	\$38
URBAN RENEWAL COUNTY	0.0052	\$2
URBAN RENEWAL LAKE OSWEGO	0.7146	\$286
VECTOR CONTROL	0.0063	\$3
VECTOR CONTROL LOC OPT 2015	0.0250	\$10
<b>Total General Government</b>	<b>8.7796</b>	<b>\$3,512</b>
<b>Excluded From Limitations</b>		
CITY LK OSWEGO BOND	0.1847	\$74
CITY LK OSWEGO BOND 2012	0.1374	\$55
SCH LK OSWEGO BOND	0.9039	\$362
COM COLL PORTLAND BOND 2009	0.3823	\$153
SRV 2 METRO BOND	0.0146	\$6
SRV 2 METRO BOND 2006	0.1829	\$73
<b>Total Excluded From Limitations</b>	<b>1.8058</b>	<b>\$722</b>
<b>Total Rate</b>	<b>16.8528</b>	<b>\$6,741</b>