

## *A MESSAGE FROM THE KING COUNTY ASSESSOR -- SCOTT NOBLE*

1999 has been a year of accomplishment. The International Association of Assessing Officers awarded King County their 1999 Distinguished Assessment Jurisdiction Award for North America. This is quite an honor for all staff to be recognized for outstanding achievement of fairness and equity in assessment administration.

Fairness and equity are vital and both are historically linked to uniform property taxation of market value. Over 200 years ago, tax protesters in our nation's Revolutionary War era treated uniformity and market value as necessary tax limitations. Such a legacy brings up the big issue of 1999 - Initiative 695.

Much has been said about the effects of Initiative 695, but I will try to touch on one possible reason for it and ways we might mitigate this condition. Our high level of governmental and tax base fragmentation should be near the top of any list of reasons. Fragmentation is not new, is not efficient and is incompatible with more accountability. One can argue about the causes of fragmentation, but few could dispute its consequences or its accelerating growth.

What is fragmentation? In King County, 168 different taxing districts create 656 different overlap combinations of public services provision yielding 262 different total property tax rates with a high-low differential of over 105% as levied by decisions of 697 state and local officials and King County voters. Fragmentation and its muddle of state and local responsibilities produce an increasingly unmanageable and incomprehensible structure of governance. Many citizens cannot puzzle out whom to hold accountable, what's going on, where the money goes, where or what it is spent on and get angry, frustrated and alienated. Sometimes citizens secede with new districts fueled by disconnect and produce more fragmentation -- a vicious cycle of reform and frustration.

How is fragmentation linked to Initiative 695? Perhaps voters took one cue from the example of local districts. Since local taxing districts will not easily surrender "their" share of tax revenues for the greater good of the region, why should it come as a surprise constituents will not surrender their individual share of tax savings for the greater good? It took a 1995 state law just to bring together county, city, school and other taxing district officials! Most recent talks to resolve spending squabbles broke down, districts convinced they were getting the shaft from each other, but unable to agree who was taking advantage of whom. Part of the message sent might be for governments to get their act together and quit fighting.

How do I know about this situation? As Assessor, I am the property tax messenger, distributing property taxes set by this patchwork. I get hit with much of the heat on property taxes from people who don't trust this system. And, I might add, it is not even reasonable to expect the citizenry to understand this extremely complex system.

The truth is we have a structure nobody is willing to change with a price nobody is willing to pay. Something has to give. Changing structure is unlikely, given local autonomy preference, current public policy and global economic trends of decentralization. Interestingly, however, the Montana Constitution mandates that jurisdictions revisit their method of government every decade and about one third have changed in the last twenty years.

Mitigating cost is a real possibility though and I suggest we:

1. consolidate certain administrative functions of local governments, especially the more junior districts--maintaining local operational autonomy;
2. share new construction assessed value to minimize jurisdiction fiscal competition; and
3. harmonize policies of public services provision and eliminate any duplication.

Ultimately, candid conversations about hard truths and tough choices are needed. State and local government need to remember some of their actions increase the odds what they fear most will come to pass. Citizens need to consider that distrust makes us susceptible to untested, emotionally charged, quick-fix remedies that limit our choices and cost more in the long run. Recently, property tax proposals have been notoriously fallacious ideas with unfair tax shifts under the disguise of tax cuts. Are we risking jumping from the frying pan into the fire?

Together, we need to discuss important longer-term choices -- how we reconnect and participate in our democracy. Fragmentation is a product of both personal preference and public policy. We must reconcile the legitimate desire for local autonomy with the imperatives of accountability and fairness.

