

Veterans affected Montgomery Place faces land tax doubling

By Art Robinson
of the Star-Phoenix

The city assessor's office is attempting to brace veterans' families in Montgomery Place for what undoubtedly will come as a shock to many of them with the termination of a special, 25-year agreement this year.

Many of the approximately 360 families are in for a double-whammy in 1979 which in some cases could mean an increase of taxes of 150 per cent over 1978.

In many cases, such as that involving 11th Street residents, increased rates are already in the books and ready for mailing when the tax notices go out next year.

City council this week received a report from city assessor Ray Bird on forthcoming land assessment changes. City commissioner Sig Dietze recommended the information be received and that a copy of the report be forwarded to the Montgomery Ratepayers' Association.

Assistant assessor Frank Garland said Wednesday although the residents were informed in 1974 of the method of calculating the new assessments, the department is attempting to make sure they are fully knowledgeable of the change when it comes.

City officials expect some will still be shocked when the change comes.

The shock will result from two changes — one the increase in the mill rate and the other from alterations in land assessment.

The mill rate concession given veterans families living in the west-end subdivision has been given considerable attention already. Essentially, it means that as of next year the maximum mill rate set under the agreement of 51 mills will disappear and the residents will pay the same as all other city property owners. This year the rate is set at about 113 mills.

This means that a Montgomery Place resident who previously qualified under the act with a house assessed at \$7,000 paid about \$357 this year while other city residents paid about \$791.

In many cases, then, the simple mill rate revision will double taxes.

But what Bird attempted to do in his report which was presented to council was remind residents the mill rate is not the only change.

Under the old system, all residents with a lot of one-half acre or more had the same land assessment. Since 1975, the maximum established was \$1490. But now this will change.

As of next year, the residents with larger lots will pay large amounts, as is the case in the rest of the city. Much of the assessment, upon which property taxes are set, depends on the property frontage, and in Montgomery Place there are some large frontages.

Bird said without paving costs, many will have their land assessments increased by \$465. This change alone would add \$52.93 to their property taxes.

For many years, the veterans' families on 11th Street have enjoyed paved streets in front of their homes without

having to pay any more than those without pavement. This will end with the arrival of 1979. The city assessor's department had already done the calculations based on the various lot sizes and knocking off the allowance given earlier based on gravel roads.

In 1978, the average 11th Street lot was assessed at the standard \$1,490. In 1979, the assessment will be \$1,979. This is an increase of \$489 which means about \$55 in property taxes.

Bird estimates the total assessment increase will be about \$133,000. This will bring the city about \$15,000. The biggest chunk of revenue will come from the straight mill rate change which will bring the city an estimated addition of about \$90,000.

Only families of those who established residence under the Veterans Land Act have benefitted over the years from the agreement.