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DAYTON

# Collection rate for taxes rises to 96.2%

Property values have been declining.

By **Cornelius Frolik**

**Staff Writer**

The city of Dayton's property tax collection rate is improving, which city officials say provides proof of stabilization in the local housing market.

This year, the city has collected about 96.2 percent of the property taxes it is owed, which is the highest collection rate since the economy crashed in 2008.

Property owners are doing a better job of paying their taxes on time, and delinquent-tax payments are lifting collection figures, city data show.

The numbers bode well for a community hit hard by job losses, foreclosures and housing abandonment.

"It's not a huge part of the budget, but it shows improvement in the general economy and healing in the property market," said Diane Shannon, deputy director of Dayton's office of management and budget.

Property values in Dayton have slid considerably since the economic meltdown.

In 2015, the collective value of taxable properties in Dayton was \$1.4 billion, down more than 8 percent from last year. Property values in Montgomery County plunged after the county auditor completed a comprehensive revaluation last year.

The city has a 10-mill levy, which this year would produce \$14.2 million if every property owner paid what they owed.

Of course, not everyone pays or pays on time.

However, property owners in Dayton this year paid about 88.4 percent of the current taxes they owe. That's up from 86.9 percent last year and 85.3 percent in 2012.

Delinquent payments are rising too and are up to 7.8 percent from 6.2 percent three years ago.

That means this year Dayton has received a little less than \$13.7 million in property taxes, or 96.2 percent of what the levy should generate.

That is the best collection rate in seven years. The rate was 91.6 percent in 2012 and 93.2 percent in 2013.

"We're back in the normal range in terms of the way taxes are paid," said Stanley Earley, Dayton's deputy city manager. "When we were down in the low 90s, that was scary."

Declining property values means the city is collecting less in taxes than it has in previous years.

But the drop in collections would be more severe if the collection rate was not rising.

The city projects the levy will generate 1.8 percent more revenue next year because of the improved collection rate and the addition of Hollywood Gaming at Dayton Raceway to the property tax rolls. About 4.5 mills of the 10-mill levy goes to the general fund. The rest pays for debt service.

Property values hopefully have bottomed out and will be steady or will increase moving forward, Shannon said.

Paul Robinson, the Montgomery County chief deputy treasurer, said tax delinquency payments are having a positive impact on Dayton's collections, but it is hard to say with certainty what is behind the trend.

Anecdotal, he said, people tend to pay their back taxes when their economic situation improves, typically when they find a job or better-paying employment.

But many factors can affect delinquency numbers, including timing, sales and additional charges and penalty fees, he said.

Robinson said people have multiple options to pay their tax bills, including payment plans, and the treasurer's office reaches out to property owners to get them up-to-date on their obligations.

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## **CITY OF DAYTON PROPERTY TAX COLLECTIONS**

Year	Property tax collection rate	Value of taxable property in Dayton	Tax collections
2013	93.2%	\$1.53 billion	\$14.2 million
2014	94.2%	\$1.55 billion	\$14.6 million
2015	96.2%	\$1.42 billion	\$13.7 million

**Note:** Collections have fallen because of declining property values. Rising collection rate has prevented steeper declines in revenue.