

How Does Tax Increment Financing Affect Property Tax Payers?

Property tax payers in Gold Beach should **not** see an increase in property taxes as a result of urban renewal. However, once an urban renewal plan is adopted in an urban renewal area, tax payers within that area will see a line item on their property tax statements for urban renewal. This can be quite confusing because even if you are not physically located in the area, you will see an indication of the impact of urban renewal on your property tax bill. Your overall tax bill does not increase, but the allocation of revenues received from your payment is changed as a portion of that payment now goes to urban renewal. This is called “division of taxes” and is the administrative way that assessors must calculate the urban renewal revenue. A sample property tax bill for the City of Gold Beach is shown below. As you can see by comparing the two columns labeled 2013, the total taxes do not change, they are just distributed differently if there is urban renewal.

		2013	2013
		Property Value	Property Value
Jurisdiction	Rate	\$103,000.00	\$103,000.00
School CC1	3.9171	\$403.46	\$391.71
ESD	0.4432	\$45.65	\$44.32
SWOCC	0.7017	\$72.28	\$70.17
City-Gold Beach	2.336	\$240.61	\$233.60
Port-Gold Beach	0.4132	\$42.56	\$41.32
Cemetary-Rogue River	0.0772	\$7.95	\$7.72
Health Curry	0.7425	\$76.48	\$74.25
Library Curry	0.6609	\$68.07	\$66.09
CC 4-H Extensions	0.1021	\$10.52	\$10.21
Curry County General	0.5996	\$61.76	\$59.96
Urban Renewal			\$29.98
Total Tax Rate	9.9935	\$1,029.33	\$1,029.33

Why is the property tax bill computed this way?

Urban renewal law has changed over the years. One of those changes was legal action brought by Shilo Inns in 2001 against Multnomah County, the City of Portland and the Portland Development Commission. As a result of this legal action, and the rulings made in the case, assessors are required to show urban renewal in the “general government” category of taxes. This category is limited to \$10 per \$1,000 of assessed value. The education category is limited to \$5 per \$1,000 of assessed value. The procedure to implement this is for the assessor to annually compute the total assessed value in the urban renewal area. The frozen base, the assessed value at the time of adoption of the urban renewal area, is subtracted from the annual assessed value of the urban renewal area. The taxes for the urban renewal agency are calculated off of the difference between the assessed value and the frozen base value. Once this number is established, this amount is taken from the taxing jurisdictions in what is termed “division of taxes” by allocating a portion of that total amount to each property tax bill in the city of Gold Beach. As you can see in the table above, the overall tax bill does not change, the allocations to the taxing jurisdictions are decreased and there is a new line on the tax bill to reflect the amount to urban renewal. If urban renewal is not adopted or is terminated, the overall tax bill does not decrease; the allocations are just increased to the taxing jurisdictions.

