

150-457.450

Distribution of Remaining Tax Increment Funds.

- (1) For purposes of this rule “taxing district” includes only those districts that have ad valorem taxes divided with an urban renewal agency pursuant to ORS 457.440.
- (2) An urban renewal agency must give the notice required by ORS 457.450(2) to each county assessor that had calculated division of tax amounts for the agency. As soon as practicable, each assessor that is notified will:
 - (a) Discontinue calculating division of tax and urban renewal special levy amounts under ORS 457.440 and 457.435 for the plan area; and
 - (b) Notify the county treasurer in writing to discontinue any future distributions to the agency for this plan from any division of tax or urban renewal special levy.
- (3) When unexpended moneys in the agency special fund for a plan must be turned over to the county treasurer under ORS 457.450(3), the agency must apportion the moneys between each county that had calculated division of tax amounts for the agency in proportion to the amount received from each county for the plan in the last fiscal year before the notice required by ORS 457.450(2). The agency must turn over each amount that was apportioned to a county to that county’s treasurer.
- (4) After the county treasurer is notified by the assessor under section (2) of this rule about a plan or the county treasurer receives money from an urban renewal agency under ORS 457.450(3) regarding a plan, the treasurer must:
 - (a) Discontinue any future distributions to the agency for that plan from the division of tax and any special levy;
 - (b) Prepare a schedule to allocate for each taxing district that levied within that plan area on the last tax roll any unexpended moneys returned by the agency under ORS 457.450(3) plus any future moneys that otherwise would be distributed for that plan. Allocation percentages must be in proportion to the amounts calculated to be raised from division of tax from each taxing district for that plan on the last tax roll;
 - (c) Distribute to the taxing districts based on the schedule prepared under subsection (4)(b) of this rule any money that otherwise would be distributed for that urban renewal plan, or that has been returned by the agency for the plan under ORS 457.450(3); and
 - (d) If a special levy for that plan was combined with special levies for other plans of the same agency and tax had been imposed through one special levy rate, allocate and distribute special levy collections for that plan as follows:
 - (A) Prepare a schedule to allocate the combined special levy collections for the plans that continue to receive distributions and the plan that will no longer receive distributions. Using the last tax roll on which that plan’s special levy was combined with other special levies of the agency, determine the allocation percentage for that plan by dividing that plan’s portion of the combined special levy amount by the total special levy amount for the agency. Apply this allocation percentage to allocate an amount for that plan from collections of special levy amounts for any years that the combined special levy included an amount for that plan.
 - (B) Distribute the special levy amount allocated for that plan to the taxing districts instead of to the urban renewal agency based on the schedule prepared under subsection (4)(b) of this rule. Distribute the remainder of the special levy moneys to the urban renewal agency.

Example 1: Preparation of Schedule under Subsection (4)(b) of this Rule:

On September 20, 2006, the assessor notifies the county treasurer under section (2) of this rule to discontinue distributions for the “Example Plan.” The treasurer prepares an allocation schedule based on information supplied by the assessor from the 2005-06 roll, which is the last fiscal year for which tax money was turned over to the urban renewal agency for the plan, as follows:

Plan Area Name: Example Plan

Information from the 2005-06 Assessment and Tax Roll (certified October, 2005)

Taxing District Name	Revenue from Taxing District Rate	Percent of Total
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County	\$17,018.13	11.15%
City	21,514.91	14.09%
Port	1,247.08	0.82%
Hospital	9,662.05	6.33%
Community College	6,224.16	4.08%
School District	70,857.37	46.40%
ESD	9,854.45	6.45%
City Bonds	4,280.51	2.80%
School Bonds	12,035.43	7.88%
UR Billing Total	152,694.09	100.00%
UR Special Levy	0.00	0.00%

Note that the Urban Renewal Special Levy was imposed in the code area, but taxes derived from an urban renewal special levy are never divided. Therefore, the special levy is not part of the special distribution schedule. This example assumes all of the other ad valorem taxes in this code area are divided between the district that imposed them and the urban renewal plan area. Some urban renewal plans may not have all tax levies divided. Any tax levy not divided should be treated like the urban renewal special levy.

Example 2: Distribution of Moneys under Subsection (4)(c) of this Rule:

The county treasurer received \$25,000 that otherwise would be distributed to the agency for the plan area from current year and delinquent taxes. Instead, the treasurer will distribute these taxes as follows using the percentages from Example 1:

Amount to be distributed		\$25,000
District Name	Percent of Total	Amount Distributed
County	11.15%	\$2,787.50
City	14.09%	3,522.50
Port	0.82%	205.00
Hospital	6.33%	1,582.50

Community College	4.08%	1,020.00
School District	46.40%	11,600.00
ESD	6.45%	1,612.50
City Bonds	2.80%	700.00
School Bonds	7.88%	1,970.00
UR Special Levy	0.00%	0.00
Total		\$25,000.00

Example 3: Preparation of Special Levy Schedule under Subsection (4)(d), Paragraph (A) of this Rule:

This assumes the agency has two plans with special levies, the “Example Plan,” which is being discontinued, and the “Continuing Plan,” which will still be using tax increment financing. The last fiscal year the agency requested a special levy for the Example Plan was 2005-06. Both plans have imposed special levies since 2002-03, and the county combined the special levy rate each year.

	2005-06	Percent	
	Special Levy	of	
	Amount	Total	
Example Plan	\$10,000	10.00%	
Continuing Plan	90,000	90.00%	
Total	\$100,000	100.00%	
Special Levy Amount to be distributed October 2006:			
	Amount	Amount For	Amount For
	For	Example	Continuing
	Distribution	Plan	Plan
		at 10%	at 90%
2005-06	\$4,000	\$400	\$3,600
2004-05	1,000	100	900
2003-04	400	40	360
2002-03	50	5	45
Total	\$5,450	\$545	\$4,905

(5) Nothing in this rule is intended to prevent the county from using a different allocation procedure if it results in the same distribution to the taxing districts.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 457.450