

Secretary of State
Certificate and Order for Filing
PERMANENT ADMINISTRATIVE RULES

I certify that the attached copies* are true, full and correct copies of the PERMANENT Rule(s) adopted on [7/15/2010] by the
Date prior to or same as filing date
Department of Revenue, Property Tax Division 150

Agency and Division Administrative Rules Chapter Number

Debra L. Buchanan 955 Center St NE Salem OR 97301 503-945-8653
Rules Coordinator Address Telephone

to become effective [7/31/2010]. Rulemaking Notice was published in the [June 2010] Oregon Bulletin.**
Date upon filing or later Month and Year

RULE CAPTION

Urban renewal; appraisal of centrally assessed property; delayed annexations by cities; Local Budget Law, appraisal methodology

Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

RULEMAKING ACTION

List each rule number separately (000-000-0000)

Secure approval of new rule numbers (Adopted or Renumbered rules) with the Administrative Rules Unit prior to filing.

ADOPT: 150-308.225; 150-457.440(2)

AMEND: 150-294.450(3); 150-308.234; 150-457.430; 150-457.440(9)

REPEAL: 150-285C.170; 150-308.027; 150-307.110; 150-307.340

RENUMBER:

AMEND & RENUMBER: 150-308.205-(B) to 150-308.655

Stat. Auth.: ORS 305.100; 308.655; 457.470

Other Auth.:

Stats. Implemented: ORS 285C.170; 294.450; 307.110; 307.340; 308.027; 308.225; 308.234; 308.655; 457.010, 457.430; 457.440; 457.455; 457.470

RULE SUMMARY

150-294.450(3), *Transfers of Appropriations*, is amended to conform the rule to a new law (SB 916) passed by the 2009 Legislature, effective January 1, 2010. SB 916 changed a long standing provision that only allowed unbudgeted transfers from the General Fund to another fund by governing body resolution. Resolution transfers can now be made from any fund.

150-308.225 *Filing Requirements for Delayed "Island" Annexations*, is adopted to clarify the filing requirements for annexations by cities under ORS 308.225.

150-308.234, *Appraisal of Real Property*, is amended to clarify "Market Area" definition, and explain that a market area need not be contiguous properties, or border a subject property.

150-308.205-(B) to 150-308.655: The rule is amended to reference the 2009 version of the Western States Association of Tax Administrators (WSATA) Appraisal Handbook. The handbook is the official appraisal guideline for centrally assessed property under ORS 308.505 to 308.665 for ad valorem taxes. The rule is also renumbered to correspond to the central assessment statute and be located with other centrally assessed rules for ease of location.

150-457.430, *Certification of Urban Renewal Frozen Value*, Oregon Law 2009, chapter 700 (HB 3056) allows an urban renewal agency to request that a plan's frozen value be permanently reset to a higher amount. If the frozen value changes, it is necessary to apportion the new frozen value among the code areas. This rule provides instructions for that apportionment. This rule is also needed because the location of centrally assessed utility property sometimes cannot be accurately determined. As a result, the assessor must sometimes apportion its value among the code areas.

150-457.440(2) *Notice to Assessor of Amounts to be Raised for Urban Renewal*, An urban renewal (UR) agency must notify the county assessor each year of how much division of tax, and possibly special levy the agency desires for each urban renewal plan. The choices that are available to an agency are dependent on the type of plan, are not clearly described in statute, and have just been made more complex by recent legislation (HB 3056). This rule describes the choices for each type of plan and instructs the agencies on the method of the notice. HB 3056 also allows an agency to notify the assessor to permanently increase the frozen value of a plan area. This rule describes the method for that notice.

150-457.440(9), *Urban Renewal Certification, Calculation and Distribution*, explains how the assessor calculates urban renewal division of tax and special levy. This amendment incorporates the policy changes made by HB 3056 and HB 2809 (2009). It also updates some technical terms to current definitions and adds clarification. It also removes all reference to Option Two plans, none of which still exist.

150-285C.170; 150-307.110; 150-307.340; and 150-308.027: The computer-assisted valuation rule and these exemption rules are no longer necessary.

Elizabeth Harchenko

7/23/2010

Authorized Signer

Printed name

Date

*With this original, file one photocopy of certificate, one paper copy of rules listed in Rulemaking Actions, and electronic copy of rules. **The Oregon Bulletin is published the 1st of each month and updates rules found in the OAR Compilation. For publication in Bulletin, rule and notice filings must be submitted by 5:00 pm on the 15th day of the preceding month unless this deadline falls on a weekend or legal holiday, when filings are accepted until 5:00 pm on the preceding workday.

ARC 930-2005

150-294.450(3)

Transfers of Appropriations

(1) A transfer of appropriation is a decrease of one existing appropriation and a corresponding increase of another existing appropriation category.

(2) During the fiscal year or budget period the governing body of a municipal corporation may transfer from one existing appropriation category within a fund to another existing appropriation category in the same fund when a resolution or ordinance is adopted that authorizes this transfer. The resolution or ordinance must state the purpose of the transfer, and the amount of the transfer. The appropriation reductions must equal the appropriation increases. The net effect of this change on the total appropriation in the fund must be zero.

(3) Transfer of appropriations and a like amount of budget resources may be made between funds by governing body resolution or ordinance. Transfer of appropriation and a like amount of resources to another fund is accomplished by increasing or creating, a "transfer to other funds" appropriation category in the fund from which the transfer is made. The amount of this increased or created appropriation must be offset by reductions in one or more other appropriation categories in the fund from which the transfer is made. The net effect of this change on the total appropriation in the fund from which the transfer is made must be zero. Appropriation categories in the receiving fund are increased by the amount of the transfer, and the budget resources available to that fund are increased by the amount of resources transferred from the fund from which the transfer is made.

(4) Transfers referred to in this rule apply to transfers that occur after the budget has been approved and that are made during the fiscal year or budget period for which the appropriations are made. Nothing in this rule prohibits or regulates lawful transfers that have been budgeted in accordance with local budget law.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.450

150-308.225

Filing Requirements for Certain Delayed Annexations by Cities

(1) This rule applies to delayed annexations by cities allowed under ORS 222.750. In these annexations, all nonresidential zoned property and all residentially zoned property in nonresidential use become annexed immediately, while all properties zoned for and in residential use are annexed on a delayed basis, with the length of the delay specified by the ordinance or resolution. Properties subject to delay are annexed immediately upon transfer of ownership.

(2) For purposes of ad valorem taxation, the requirements for notification can be found in ORS 308.225, and the procedure is as follows:

(a) During initial submission of a code boundary change request for annexation of unincorporated territory subject to delayed annexation under ORS 222.750, the map and legal description must at a minimum describe the initially annexed properties. If describing the entire exterior boundary of the annexation in the initial submission, any areas subject to delayed annexation must be clearly excepted by separately describing the areas and noting them on the filed map.

(b) A code boundary change request must be submitted for any property subject to delayed annexation that becomes part of the city before the end of its delay period due to transfer of ownership.

(c) If not described in a previous submission, a code boundary change request must be submitted for any remaining properties at the conclusion of their delay.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 308.225

150-308.234

Appraisal of Real Property

The following constitutes standards for the valuation of real property except for property assessed under ORS 308.505 to 308.665 and ORS 308.805 to 308.820.

(1) Industrial property. In the case of industrial properties, appraisals must conform with the following conditions:

(a) Basic data and supplemental data for an appraisal must be the same as required in ORS 308.290 and 308.411. Valid data in any previous appraisal such as property descriptions, inventory listing, maps, etc., may be used in the appraisal.

(b) An appraisal as provided by the industrial property return process is not an appraisal contemplated under ORS 308.234.

(c) A valuation review as provided in OAR 150-308.205(2) is an appraisal as contemplated under ORS 308.234, if the valuation review meets the requirements of 308.411.

(d) Nothing in this rule is intended to invalidate any assessment that appears on the assessment roll.

(2) All other real property. Real property must be valued at its real market value (RMV) using methods approved by the department and the results must meet the performance standards required by this rule.

(a) The following definitions apply for the purposes of this rule:

(A) "Coefficient of dispersion" (COD) is the average absolute deviation of a group of numbers from the median expressed as a percentage of the median. In ratio studies, it refers to the average absolute deviation from the median ratio, expressed as a percent of the median ratio.

(B) "Homogeneous" describes a market area where the properties have a high degree of similarity in one or more of the following: type, use, quality, or condition.

(C) "Market area" is defined as a group of properties that share important characteristics affecting their value. It may be defined along physical/geographical or abstract boundaries or, as in the case of commercial property, according to use. Properties included in a market area do not have to be contiguous.

(D) "Nonhomogeneous" means market areas that do not meet the definition of "homogeneous."

(b) ORS 308.232 requires that all real property be valued at 100 percent of its RMV. Achieving and maintaining RMV is measured by the ratio study. Ratios must be computed for each market area, where possible. In market areas where the amount of sales data is insufficient for statistical analysis, one or more of the following actions should be taken to provide adequate data:

(A) A two-year sales sample may be used;

(B) Comparable market areas may be combined; or

(C) Appraisal ratio data may be included.

(c) Criteria for results-based valuation standards:

(A) RMV at 100 percent.

(B) COD standards for measuring equity of RMV:

Type of Property (Property Class)	Maximum COD
Vacant Land (100 and 400)	20
Real and personal manufactured structures/mobile homes	25
Urban Residential (101):	
Homogeneous	10
Nonhomogeneous	15
Rural Improved (101 and 401)	20
Apartments (701)	12
Other Income (201):	
Larger Urban	15
Smaller Rural	20

(C) Exceptions to COD standards. When a market area does not meet the standards because of a market anomaly, the correction may be delayed until the following year, waived, or have alternate standards applied, as approved by the Department of Revenue.

(d) The department will determine compliance with standards of this rule by annual reviews of the results determined by the county.

(A) If compliance deficiencies are found, the department must make written notification to the assessor of the deficiencies and identify appropriate corrective action. Within 30 days of notification of the deficiencies, the assessor must respond in writing to the department as to the action to be taken to correct the identified deficiencies.

(B) In the event an assessor's program has been found to be deficient and the assessor does not take action to correct the deficiencies as outlined in the department's written notification, the department will take action as required by ORS 308.062.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 308.234

150-308.655

Centrally Assessed Property – Appraisal Guidelines

The 2009 Western States Association of Tax Administrators Appraisal Handbook: Unit Valuation of Centrally Assessed Properties is adopted as the official valuation guide for property assessed by the Oregon Department of Revenue under ORS 308.505 to 308.665 for ad valorem tax purposes.

[Publications: Contact the Oregon Department of Revenue for information about how to obtain a copy of the publication referred to or incorporated by reference in this rule pursuant to ORS

183.360(2) and ORS 183.355(1)(b).]

Stat. Auth.: ORS 305.100, 308.655

Stats. Implemented: ORS 308.655

150-457.430

Certification of Urban Renewal Frozen Value and Apportioning Value to Tax Code Areas

- (1) “Frozen value” as used in this rule has the same meaning as in OAR 150-457.440(9).(2) All certified statements and amendments filed under ORS 457.430 before September 29, 1991, continue to remain in effect, unless subsequently amended pursuant to this rule. The total true cash value contained in those certified statements constitutes the total assessed value for purposes of this section.(3) The certified statement of the total assessed value of all taxable real and personal property contained in the urban renewal area (the frozen value), that is filed by the assessor pursuant to ORS 457.430 must include totals by code area and by taxing district.
- (4) If an urban renewal agency wants to limit future collections for a plan by permanently increasing the plan’s frozen value pursuant to ORS 457.455(2), the agency must do so by completing the portion of Department of Revenue Form UR-50 Notice to Assessor that is provided for that purpose, stating the plan name and the new frozen value amount.
- (5) If an agency with an Option Three plan notifies the assessor to permanently increase the plan’s frozen value under section (4) of this rule, the formal action taken by the agency to authorize the notice must not be in the form of an ordinance or an amendment to the certified statement filed under ORS 457.430.
- (6) If an agency notifies the assessor to permanently increase a plan’s frozen value, the assessor must amend the certified statement filed under ORS 457.430, using the frozen value stated by the agency on Form UR-50.
- (7) The assessor must apportion to the tax code areas in the plan area, the total frozen value stated by the agency in its notice, in the same proportions as the most recent previously certified frozen value was distributed among the code areas.
- (8) The notice described in section (4) of this rule must be submitted to the assessor by July 15 to apply to the next tax roll.
- (9) If the location of property that is centrally assessed by the Department of Revenue pursuant to ORS 308.505 to 308.665 or ORS 308.805 to 308.820 cannot be determined, the assessor must apportion the assessed value of that property among the code areas in the same proportions as the assessed value of all real property is distributed among the code areas on the last roll certified.
- [Publications: Contact the Oregon Department of Revenue for information about how to obtain a copy of the publication referred to or incorporated by reference in this rule pursuant to ORS 183.360(2) and ORS 183.355(1)(b).]
- Stat. Auth.: ORS 305.100, 457.470
Stats. Implemented: ORS 457.430

150-457.440(2)

Notice to Assessor of Amounts to be Raised for Urban Renewal

- (1) “Frozen value,” “increment value,” “increment value used” and “maximum authority” as used in this rule have the same meanings as in OAR 150-457.440(9).
- (2) The notice to the assessor required by ORS 457.440(2) must be made using Department of Revenue Form UR-50 *Notice to Assessor*.
- (3) An urban renewal agency with an Option One plan may request on Form UR-50:
- (a) One hundred percent of the amount available to the plan from division of tax under ORS 457.440 plus, if the amount estimated to be received from ORS 457.440 is not sufficient to meet the budgeted obligations of the plan, a special levy in any amount up to the remainder of the plan’s maximum authority, or

- (b) An amount of increment value used that the agency estimates will raise some lesser amount of division of tax, as provided under ORS 457.455(1).
- (4) If an agency with an Option One plan requests one hundred percent of the division of tax under subsection (3)(a) of this rule, a request for a special levy must state the dollar amount to be raised or the percentage of the remainder of the plan's maximum authority that the agency wants.
- (5) If an urban renewal agency with an Option One plan requests an amount of increment value used under subsection (3)(b) of this rule, the plan may not request a special levy.
- (6) An urban renewal agency with an Option Three plan may request:
- (a) The amount of division of tax stated in the ordinance adopted under ORS 457.435 selecting Option Three, plus a special levy; or
- (b) An amount of increment value used that the agency estimates will raise some lesser amount of division of tax as provided under ORS 457.455(1), plus a special levy.
- (7) If an urban renewal agency with an Option Three plan requests an amount of increment value used, under subsection (6)(b) of this rule and a special levy:
- (a) The amount of special levy requested may not exceed the amount calculated by subtracting the amount of division of tax stated in the ordinance adopted under ORS 457.435 selecting Option Three from the plan's maximum authority as limited by ORS 457.435(3).
- (b) The request for a special levy must state the dollar amount to be raised or the percentage of the amount calculated in subsection (7)(a) of this rule that the agency wants.
- (8) An urban renewal agency with a plan other than an Option One plan or an Option Three plan may request:
- (a) One hundred percent of the amount available to the plan from division of tax under ORS 457.440; or
- (b) An amount of increment value used that the agency estimates will raise some lesser amount of division of tax, as provided under ORS 457.455(1) or 457.470.
- (9) If an urban renewal agency requests a permanent increase in the amount of frozen value in the certification filed by the assessor under ORS 457.430, as provided in ORS 457.455(2), the agency must notify the assessor of the new frozen value by completing the portion of the Form UR-50 provided for that purpose, stating the plan name and the new frozen value amount. The form must be submitted to the assessor in accordance with OAR 150-457.430.
- (10) If an urban renewal agency with an Option One plan notifies the assessor to permanently increase the plan's frozen value under section (9) of this rule, the plan may never again request a special levy.
- (11) If an agency with an Option Three plan notifies the assessor to permanently increase the plan's frozen value under section (9) of this rule, the formal action taken by the agency to authorize the notice must not be in the form of an ordinance or an amendment to the certified statement filed under ORS 457.430.
- (12) If Portland Public School District wishes to exclude from urban renewal division of tax for the current fiscal year that portion of its permanent tax rate limitation by which that limitation was increased upon retirement of the district's gap bonds, the district must notify the assessors of each county in which division of tax is calculated using the district's permanent rate. This notification must be submitted to the assessors with Department of Revenue Form ED-50 *Notice to Assessor* and show both the tax rate to be excluded from division of tax and the tax rate under the district's permanent rate limitation that the district wishes to impose for district operations.

The maximum rate that can be excluded from division of tax is \$0.5038 per \$1,000 of assessed value.

[Publications: Contact the Oregon Department of Revenue for information about how to obtain a copy of the publication referred to or incorporated by reference in this rule pursuant to ORS 183.360(2) and ORS 183.355(1)(b).]

Stat. Auth.: ORS 305.100, ORS 457.470

Stats. Implemented: ORS 457.010, 457.440, 457.455, 457.470.

150-457.440(9)

Urban Renewal Certification, Calculation and Distribution

(1) Definitions: For purposes of this rule:

(a) "Consolidated billing tax rate" means:

(A) For reduced rate plans, the total of all taxing district billing tax rates used to extend taxes, after any adjustments to reflect tax offsets, but does not include:

(i) Any urban renewal special levy rate;

(ii) Any local option tax rate if the tax was approved by the voters after October 6, 2001;

(iii) Any exempt bonded indebtedness tax rate (except for Portland Police and Fire Pension and Disability bonds, if so issued) approved by the voters after October 6, 2001; or

(iv) The portion of Portland Public School District's permanent rate levy described in OAR 150-457.440(2) section (13) that the district notifies the assessor to exempt from division of tax.

(B) For standard rate plans, the total of all taxing district billing tax rates used to extend taxes, after any adjustments to reflect tax offsets, but does not include any urban renewal special levy rate.

(b) "Division of tax" means:

(A) For purposes of determining the amount of division of tax to use in tax calculation, the amount calculated by multiplying the tax rate for each taxing district levy in a code area by the increment value used in that code area and summing the product for all code areas in the plan area. Only those taxing district tax rates that are part of the consolidated billing tax rate for that plan are used for this calculation.

(B) For purposes of computing the estimate of the division of tax portion of the maximum authority for existing plans, the amount calculated by multiplying the consolidated billing tax rate for the code area by the increment value used in the code area and summing the product for all code areas in the plan. Only those taxing district tax rates that are part of the consolidated billing tax rate are used for this calculation.

(c) "Division of tax rate" means the rate determined for each taxing district levy within the consolidated billing tax rate for an urban renewal plan. This rate is calculated by dividing the division of tax amount by the taxable assessed value of any shared property for that district. This is the rate that is multiplied by the taxable assessed value of any shared property of the district to determine the amount of division of tax extended before compression on that property from that levy for that plan.

(d) "Existing plan" means an urban renewal plan that provides for a division of ad valorem property taxes as described under ORS 457.420 to 457.460, adopted by ordinance before December 6, 1996, that meets the conditions of ORS 457.010(5).

(e) "Frozen value" means:

- (A) The assessed value of the property in an urban renewal plan area at the plan's inception, as certified by the assessor under ORS 457.430 and OAR 150-457.430; or
- (B) The value stated by the agency in the notice to the assessor pursuant to ORS 457.455(2).
- (f) "Increment value" means the positive value obtained by subtracting the frozen value in a plan area from the total assessed value in a plan area, calculated code area by code area. Negative results are disregarded, resulting in the code area having zero increment value.
- (g) "Increment value used" means:
- (A) For an Option Three existing plan, that portion of the increment value in the plan area necessary to raise the amount of division of tax stated in the ordinance selecting Option Three that was adopted by the urban renewal agency under ORS 457.435, or a lesser amount of increment value specified by the agency under paragraph (B) of this subsection.
- (B) For plans for which the urban renewal agency specifies, pursuant to ORS 457.455(1) or ORS 457.470, an amount of assessed value less than the full increment amount that is available, the amount of increment value specified. The assessor must apportion to the code areas in the plan area the amount of increment specified by the agency.
- (C) For all other plans "increment value used" means "increment value."
- (h) "Maximum authority" means the limitation on the amount of revenue to be raised for the year for an existing plan area, as described in ORS 457.435(3). Only plans that are existing plans have a maximum authority amount. The maximum authority is adjusted each year to reflect growth in assessed value within the plan area as provided in ORS 457.435(3)(b).
- (i) "Rate computation value" means the total assessed value in an ad valorem taxing district, plus the value of Fish and Wildlife properties and of Non-Profit Housing properties, minus urban renewal increment value used.
- (j) "Reduced rate plan" means any urban renewal plan that is:
- (A) Adopted before December 6, 1996, designated as an existing plan, and also designated as an Option One plan;
- (B) Adopted before December 6, 1996, was an existing plan designated as an Option One plan on October 6, 2001, and was substantially amended as described in ORS 457.085(2)(i)(A) or (B) on or after October 6, 2001;
- (C) Adopted on or after October 6, 2001; or
- (D) Adopted before December 6, 1996, and the governing body of the city or county that adopted the plan irrevocably elects to change the plan from being a standard rate plan to a reduced rate plan, pursuant to ORS 457.445, and provides the assessor by July 15 of the first tax year it is effective, a copy of the resolution or ordinance making the election.
- (k) "Shared property" is property that is both within a taxing district that overlaps an urban renewal plan area, and within the boundaries of a municipality that activated an urban renewal agency. It also includes any area of a plan that extends beyond the boundaries of the activating municipality for that plan.
- (l) "Standard rate plan" means an urban renewal plan that is not a reduced rate plan.
- (2) Urban renewal agencies making use of tax increment financing must certify their tax increment financing request to the county assessor under ORS 310.060 and pursuant to OAR 150-457.440(2) by July 15 using Department of Revenue Form UR-50 *Notice to Assessor* for the current tax year. The assessor may, for cause, grant an extension of this date up to October 1.

- (3) The assessor must separately calculate the estimated revenue to be raised from each plan area within the territory of a taxing district. To make this calculation the assessor must:
- (a) Determine whether the plan is a standard rate plan or a reduced rate plan. Calculate the consolidated billing tax rate accordingly;
 - (b) Determine the maximum authority of an existing plan by multiplying last year's maximum authority by the percentage growth in plan increment value this year as provided in ORS 457.435(3);
 - (c) Determine the estimated amount to be raised by the division of tax for the plan. For each code area within the plan area, multiply the consolidated billing tax rate by the increment value used in the code area. Add the amounts of all code areas within a plan; and
 - (d) Determine the maximum amount of the special levy, if any, for each existing urban renewal plan by subtracting the estimated amount to be raised by the division of tax from the maximum authority of the plan. The maximum special levy cannot be less than zero.
- (4) If the plan is an Option One plan:
- (a) The assessor must calculate the maximum amount of urban renewal taxes to be raised through the division of tax as provided in section (3) of this rule, or a lesser amount of division of tax using the increment value used that is specified by the agency, according to the agency's certification on Form UR-50.
 - (b) If the agency requests one hundred percent of the division of tax and a special levy amount on Form UR-50, the assessor must calculate and extend a special levy for the amount certified, provided the total amount of the special levy plus the estimated division of tax amount is equal to or less than the maximum authority of the plan as determined under subsection (3)(b) of this rule.
 - (c) If the total of the special levy certified for the plan area plus the estimated division of tax amount computed for the plan by the assessor exceeds the maximum authority of the plan, the assessor must reduce the amount of the special levy until the total of the special levy and the estimated division of tax amount equals the maximum authority for the plan.
 - (d) If, instead of requesting one hundred percent of division of tax, an agency certifies on Form UR-50 an amount of increment value used, the assessor must not calculate a special levy for that plan.
- (5) If the plan is an Option Three plan:
- (a) The agency must certify on Form UR-50 the amount stated in the ordinance selecting Option Three as the amount to be collected through the division of taxes, or the amount of increment value that the agency estimates will raise some lesser amount of division of tax.
 - (b) If the agency certifies the amount of division of tax stated in the ordinance selecting Option Three, the assessor must calculate the amount of increment value necessary to raise the division of tax amount stated in the ordinance. The amount calculated by the assessor is the increment value used.
 - (c) If the agency certifies the amount of increment value that the agency estimates will raise some lesser amount of division of tax, the amount specified is the increment value used.
 - (d) If the agency certifies a special levy and certifies the amount of division of tax stated in the ordinance selecting Option Three, and the total special levy plus the estimated division of tax amount computed for the plan by the assessor exceeds the maximum authority of the plan, the assessor must reduce the special levy until the total of the two equals the maximum authority.

- (e) If the agency certifies a special levy and certifies an amount of increment value used that the agency estimates will raise an amount of division of tax that is less than the amount stated in the ordinance selecting Option Three, and the total of the special levy plus the estimated division of tax amount computed by the assessor using that amount of increment value exceeds the total that would have been available under the plan's maximum authority had the agency certified the amount of division of tax stated in the ordinance selecting Option Three, the assessor must reduce the special levy amount so that the total of the special levy and the estimated division of tax equals the total that would have been available under the plan's maximum authority, had the agency certified the amount of division of tax stated in the ordinance selecting Option Three.
- (6) If the plan is not an existing plan, the agency must certify on Form UR-50:
- (a) One hundred percent of the amount of division of tax; or
 - (b) The amount of increment value used that the agency estimates will raise some lesser amount of division of tax, pursuant to ORS 457.455(1) or ORS 457.470.
- (7) The assessor must:
- (a) Apportion the increment value used to the code areas in the plan area in the same proportions as the increment value is distributed among those code areas.
 - (b) If the full increment value in a code area is less than the amount of increment value used that is apportioned to the code area under subsection (7)(a) of this rule, the assessor must calculate the division of tax using the full increment value. No increment value is then used in calculating the taxes of the ad valorem taxing districts for the year.
 - (c) If the full increment value exceeds the amount of the increment value used, the assessor must use the remaining increment value in calculating the taxes of the ad valorem taxing districts for the current year.
- (8) The assessor must:
- (a) Use the rate computation value in calculating taxes for a taxing district that has an urban renewal plan area within its boundaries and whose rate is part of the consolidated billing tax rate for the plan.
 - (b) Calculate the urban renewal special levy tax rate for each plan area using the current year taxable value of all taxable property in the municipality that adopted the plan and any portion of the urban renewal plan area outside of the municipality. Current year taxable value includes the value of Non-profit Housing properties, Fish and Wildlife properties and urban renewal increment value.
 - (c) Calculate urban renewal special levy tax rates on a plan area by plan area basis. If one plan area of an agency extends beyond the boundary limits of the activating municipality, only the special levy rate for that plan area is extended beyond the boundaries of the municipality.
 - (d) Unless otherwise specifically provided by law, no tax offset applies to the special levy rate.
- (9) The assessor must determine the tax rate for each code area for each tax levy that an ad valorem district certifies as follows:
- (a) Determine the rate certified by the district for tax rate levies or calculate a tax rate for dollar amount levies;
 - (b) Subtract any offsets as applicable; and
 - (c) Subtract any division of tax rate for that district applicable to that code area from the result of subsection (9)(b) of this rule.

(10) The assessor must calculate a total division of tax rate for each code area. This is the total of the division of tax rates from all of the levies from all taxing districts with shared property in that code area, if such rates are in the consolidated billing tax rate.

(11) The division of tax rate may have two components. One is the total of rates derived from any local option tax levies. The other component is the total of rates derived from any other levies. The assessor must treat the amount of taxes derived from each of the two total rates separately for purposes of determining compliance with the limitations of section 11(b) Article XI of the Oregon Constitution.

(12) The assessor must calculate the amount of tax on each account that is distributed to each urban renewal agency as follows:

(a) For each property within a shared property area the assessor must calculate the division of tax amount extended by multiplying the taxable assessed value of the account by the division of tax rate for each plan area.

(b) For each property within a shared property area that has an urban renewal special levy, the assessor must calculate the amount extended for the special levy by multiplying the taxable assessed value of the account by the rate calculated for each urban renewal special levy.

(c) All urban renewal special levy and division of tax amounts must be categorized as being subject to the general government limitation under ORS 310.150. If taxes exceed the limitations in either category of section 11(b) Article XI of the Oregon Constitution, the assessor must reduce the taxes to the category limit. The division of tax portion derived from local option levies must be reduced proportionately with all other local option levies under the general government category before any other taxes in the category are reduced.

(13) The special levy and the division of tax must be imposed on all taxable property in the municipality that activated the urban renewal agency and any portion of the urban renewal plan area outside of the municipality that is shared property for that plan.

(14) The tax statement must display at a minimum for each agency, under the general government category, the total combined dollar amount imposed for the urban renewal special levy and the division of tax for that account.

(15) In preparing the percentage distribution schedule under ORS 311.390, the tax collector must use the dollar amount generated for urban renewal division of tax and the dollar amount imposed for urban renewal special levy for each urban renewal agency.

[Publications: Contact the Oregon Department of Revenue for information about how to obtain a copy of the publication referred to or incorporated by reference in this rule pursuant to ORS 183.360(2) and ORS 183.355(1)(b).]

Stat. Auth.: ORS 305.100, 457.470

Stats. Implemented: ORS 457.440, 457.445, 457.455, 457.470