
Presentation to Parkrose School District

Local Option Analysis Results

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Local Option Recap

Local Option Background

- Local option levies are additional property tax levies above permanent operating rates.
- Available for operations for up to 5 years.
- Subject to majority voter approval at May or November elections or other regular elections with 50% voter turnout.
- School District collections are limited to the lesser of:
 - M5 limit of \$5/\$1,000 RMV
 - \$2,000 in FY 2019, inflated at 3%/year
 - 25% of Total SSF revenues

Property Tax History

Measure 5 (1990)

- Capped property taxes at \$15/\$1,000 of **RMV** of property:
 - \$5 for education (SDs, ESDs and CCs)
 - \$10 for general government (all others)

Measure 50 (1997)

- Created lower **AV** on which property taxes are calculated. Capped AV growth at 3% a year.
- Assigned permanent operating rates to all jurisdictions.
- **Created local option levies.** Levied in addition to permanent rates, but still subject to M5 limits. Require voter approval.

Compression

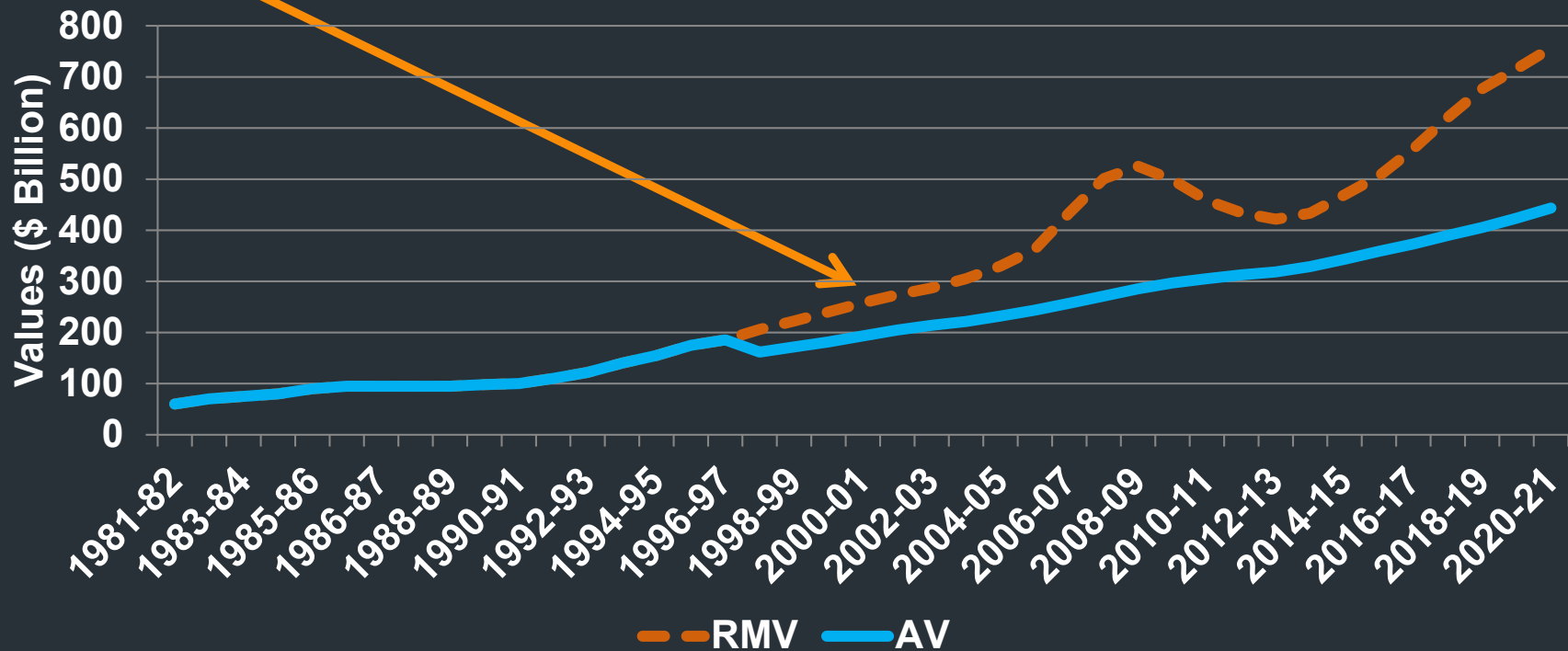
- **When taxes on properties exceed M5 limits, all tax rates are reduced proportionally, or “compressed”.**
- **Local option levies compress to zero before there is any compression of permanent tax rates.**

Local Option Levies “Tax the Gap” between RMV and AV

Every property has its own gap and is affected differently by M5 limits. Gaps change annually. Some properties may already be at M5 limit, others may be well below.

1997: M50 froze AV at 90% of 1995 RMV, capped growth at 3%/year

AV and RMV of Property in Oregon FY 1982 to 2021



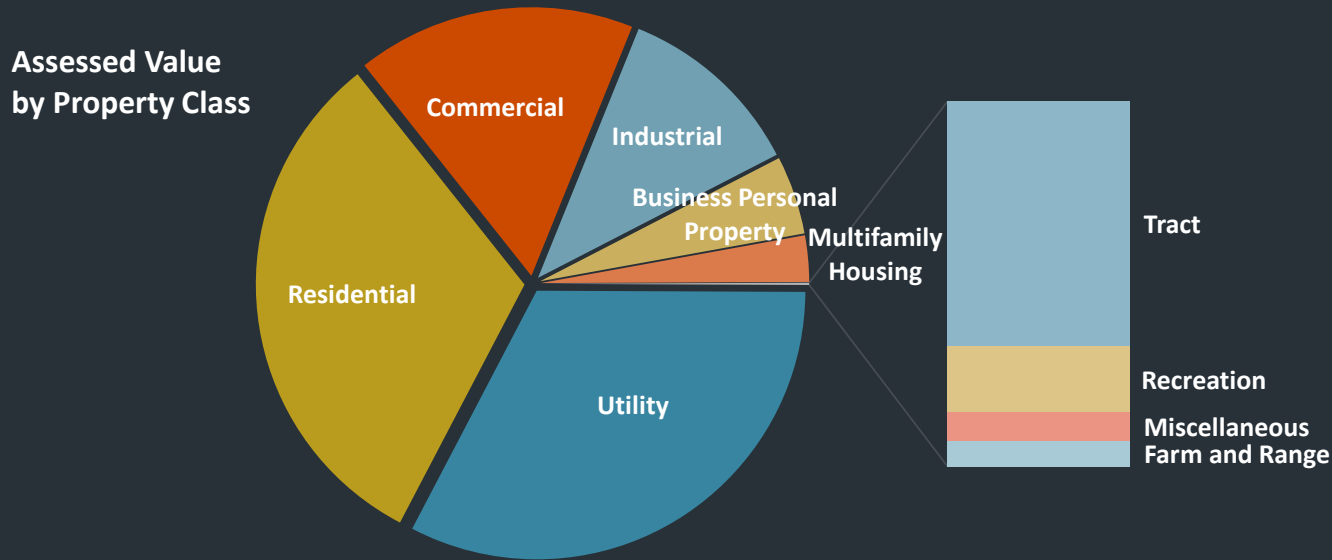
Theoretical Local Option Capacity – Parkrose SD

	Parkrose School District						
	2017	2018	2019	2020	2021	2022	
ADMw	4,261	4,060	3,891	3,903	3,877	3,617	
SSF Revenues*	\$ 31,410,098	\$ 32,690,945	\$ 33,111,095	\$ 33,870,649	\$ 34,478,549	\$ 34,459,745	
Permanent Tax Rates							
School District	\$ 4.8906	\$ 4.8906	\$ 4.8906	\$ 4.8906	\$ 4.8906	\$ 4.8906	\$ 4.8906
Community College	0.4917	0.4917	0.4917	0.4917	0.4917	0.4917	0.4917
Education Service District	0.4576	0.4576	0.4576	0.4576	0.4576	0.4576	0.4576
Total Education Rate	\$ 5.8399	\$ 5.8399	\$ 5.8399	\$ 5.8399	\$ 5.8399	\$ 5.8399	\$ 5.8399
Education Measure 5 Compression							
School District (actual)	\$ 787,500	\$ 834,772	\$ 860,347	\$ 953,148	\$ 1,242,464	\$ 1,158,903	
Community College (est.)	79,175	83,928	86,499	95,829	124,917	116,516	
Education Service District (est.)	73,684	78,107	80,500	89,183	116,254	108,435	
Total Education Compression (est.)	\$ 940,359	\$ 996,807	\$ 1,027,347	\$ 1,138,160	\$ 1,483,635	\$ 1,383,854	
District Total Property Values							
M5 Real Market Value	\$ 5,892,012,328	\$ 6,787,761,246	\$ 7,788,224,354	\$ 7,615,052,167	\$ 7,959,710,929	\$ 7,938,363,034	
Net Assessed Value	3,881,758,380	4,125,140,813	4,460,773,352	4,492,369,906	4,821,336,325	4,673,325,107	
AV as % of RMV	66%	61%	57%	59%	61%	59%	
Assessed Value per ADMw	\$ 910,914	\$ 1,016,075	\$ 1,146,419	\$ 1,151,054	\$ 1,243,622	\$ 1,291,937	
Education Taxes in the District							
Education taxes before Compression Less M5 Compression Loss	\$ 22,669,081 (940,359)	\$ 24,090,410 (996,807)	\$ 26,050,470 (1,027,347)	\$ 26,234,991 (1,138,160)	\$ 28,156,122 (1,483,635)	\$ 27,291,751 (1,383,854)	
Education taxes collected	21,728,721	23,093,603	25,023,124	25,096,831	26,672,487	25,907,897	
Education taxes at \$5/\$1,000 RMV	29,460,062	33,938,806	38,941,122	38,075,261	39,798,555	39,691,815	
Measure 5 Gap Capacity	\$ 7,731,340	\$ 10,845,204	\$ 13,917,998	\$ 12,978,430	\$ 13,126,068	\$ 13,783,918	
Local Option Levy Limits							
M5 Gap Capacity	\$ 7,731,340	\$ 10,845,204	\$ 13,917,998	\$ 12,978,430	\$ 13,126,068	\$ 13,783,918	
Per Student Limit (beginning in FY19, \$2,000/ADMw + \$3% annually)	5,560,128	5,456,113	7,782,100	8,039,830	8,225,900	7,905,443	
25% of SSF Limit (beginning in FY19, Previously, 20%)	6,282,020	6,538,189	8,277,774	8,467,662	8,619,637	8,614,936	
Limit	\$1,304.77 Per Student	\$1,343.91 Per Student	\$2,000.00 Per Student	\$2,060.00 Per Student	\$2,121.80 Per Student	\$2,185.45 Per Student	
Eligible for Equalization Grant							0%

Property-by-Property Local Option Analysis

Current Year Calculations

Summary of District Properties by Class



Property Class	# of Accounts	2022 Measure 5 Value ⁽¹⁾	2022 Assessed Value	% of District	AV as % of M5
Utility	145	1,561,362,414	1,533,367,900	33%	98%
Residential	7,798	3,073,531,130	1,488,509,330	32%	48%
Commercial	559	1,757,888,110	789,698,750	17%	45%
Industrial	331	1,014,375,000	531,722,530	11%	52%
Business Personal Property	1,057	224,101,420	222,293,290	5%	99%
Multifamily Housing	91	290,289,930	130,913,660	3%	45%
Tract	18	7,317,630	4,357,910	0%	60%
Recreation	22	2,040,010	1,163,010	0%	57%
Miscellaneous, Manufactured Structures, Small Tract	25	774,990	527,360	0%	68%
Farm and Range	8	2,083,690	443,280	0%	21%
TOTAL	10,054	\$ 7,933,764,324	\$ 4,702,997,020		59%

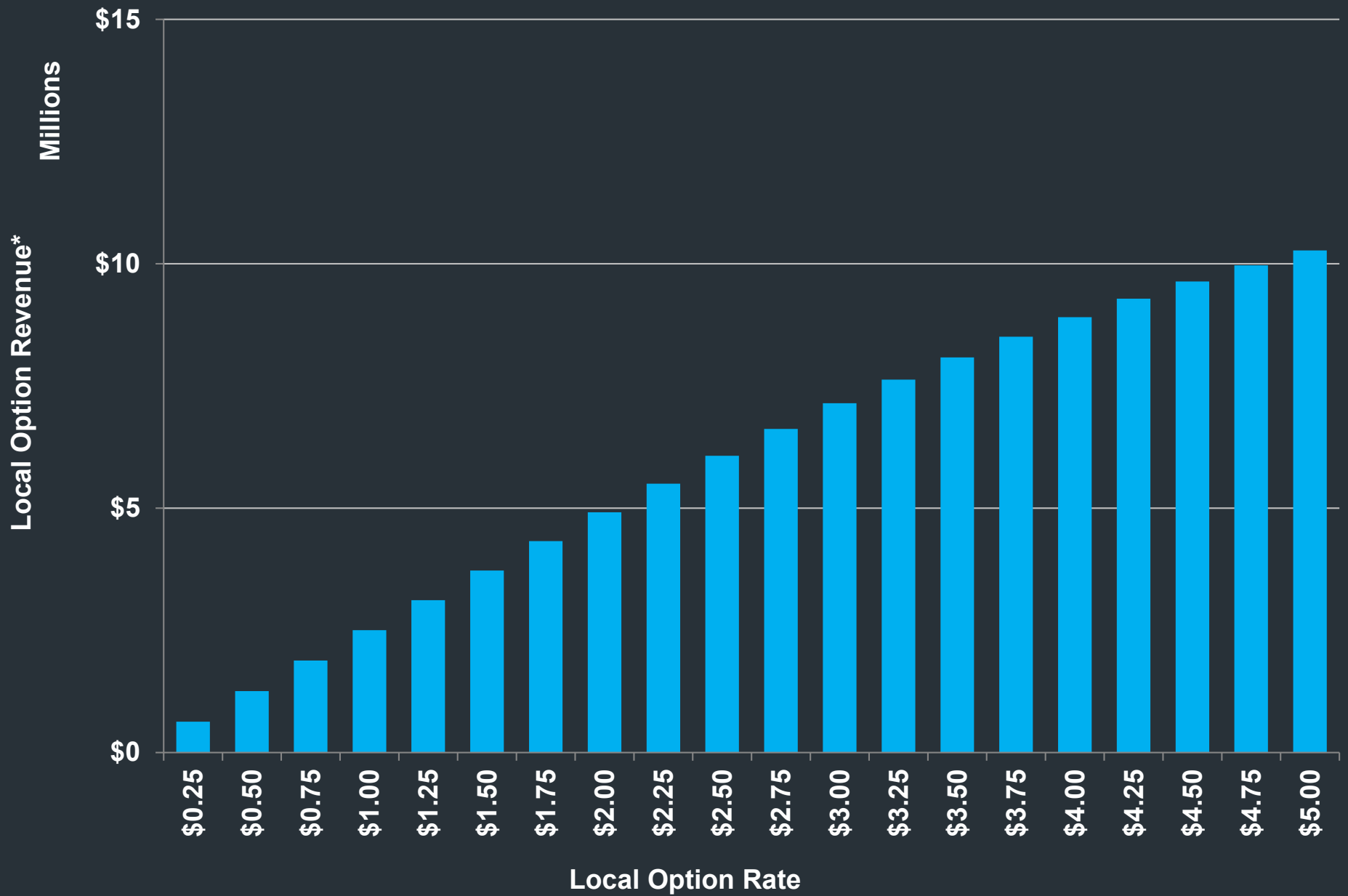
(1) Measure 5 Value is the real market value of a property after certain special assessments and is the value against which Measure 5 tax limits are calculated. Detailed data provided by Multnomah County assessor in February 2022 includes veterans' exemptions.

Summary of Education Tax Rates

- Taxpayers in Parkrose School District are in **seven** different tax codes and pay total education rates are **\$5.7425** and **\$5.8399** (excluding bond rates, which are outside of M5 limits).
- Entire District is served by Multnomah ESD and Mt. Hood Community College, making total tax rate the same in all communities.
- Education tax rates in the District differ as a result of urban renewal areas in the City of Portland.

Total Education Rate	Urban Renewal Overlap	Area Assessed Value	% of District
\$ 5.8399	None	\$ 75,387,780	2%
5.7425	City of Portland URA	4,627,609,240	98%

Current Year (FY 2022) Pro-Forma Local Option Revenue



Fiscal Year 2023 Projections

Historical RMV and AV Growth

Fiscal Year	M5 Real Market Value	% RMV Growth	Total Assessed Value	Urban Renewal Excess	Net Assessed Value	% Total AV Growth
2022	\$ 7,938,363,034	-0.34%	\$ 4,702,997,020	\$ 29,671,913	\$ 4,673,325,107	-3.14%
2021	7,965,783,759	4.61%	4,855,405,470	34,069,145	4,821,336,325	5.19%
2020	7,615,052,167	-2.22%	4,615,886,930	123,517,024	4,492,369,906	0.71%
2019	7,788,224,354	14.66%	4,583,410,550	122,637,198	4,460,773,352	7.80%
2018	6,792,420,156	15.28%	4,251,651,529	126,510,716	4,125,140,813	6.16%
2017	5,892,012,328	19.56%	4,005,096,344	123,337,964	3,881,758,380	10.35%
2016	4,927,875,395	9.52%	3,629,320,632	90,608,743	3,538,711,889	4.15%
2015	4,499,337,514	12.21%	3,484,737,540	86,945,017	3,397,792,523	8.30%
2014	4,009,742,545	1.54%	3,217,818,650	80,418,683	3,137,399,967	3.89%
2013	3,948,998,319	-2.18%	3,097,425,962	80,683,630	3,016,742,332	1.99%
2012	4,036,897,209	-4.68%	3,036,981,388	82,156,568	2,954,824,820	2.74%
2011	4,234,900,240	-2.00%	2,956,115,502	85,909,138	2,870,206,364	2.10%
2010	4,321,516,418	-2.57%	2,895,377,654	86,357,949	2,809,019,705	-0.06%
2009	4,435,312,191	4.63%	2,897,195,355	86,249,332	2,810,946,023	1.33%
2008	4,239,191,782	12.43%	2,859,148,421	80,967,542	2,778,180,879	4.00%
2007	3,770,464,808	8.68%	2,749,215,417	79,874,724	2,669,340,693	6.53%
2006	3,469,341,676	5.58%	2,580,638,075	79,262,380	2,501,375,695	1.87%
2005	3,285,928,053	3.96%	2,533,222,025	76,323,385	2,456,898,640	3.27%
2004	3,160,687,959	---	2,452,941,636	74,389,952	2,378,551,684	---

Source: Multnomah County Assessor's Office.

Note: The detailed data provided by Multnomah County for FY 2022 as of February 2022 shows a slightly lower M5 RMV as it includes veterans' exemptions. The M5 RMV above does not include veterans' exemptions, per DOR reporting requirements.

Growth Projection Assumptions for FY2023

NOTE: Our growth estimates are based on historic trends and averages for different property classes and we have not independently verified the likelihood of future growth rates matching historic trends. We cannot predict future value growth and are establishing a range for collection estimates only. If RMV grows as projected but AV grows more than projected, or if AV grows as expected but RMV grows less than projected, the amount generated in each scenario would be lower as the gap between AV and RMV would shrink.

Summary of Projection Assumptions for FY2023

AV GROWTH ON EXISTING PROPERTIES: 3.0%

All projections assume AV of existing properties increase by 3% (up to RMV).

AV growth above 3% is result of new construction or improvements to existing properties.

TAX COLLECTIONS: 95.0%

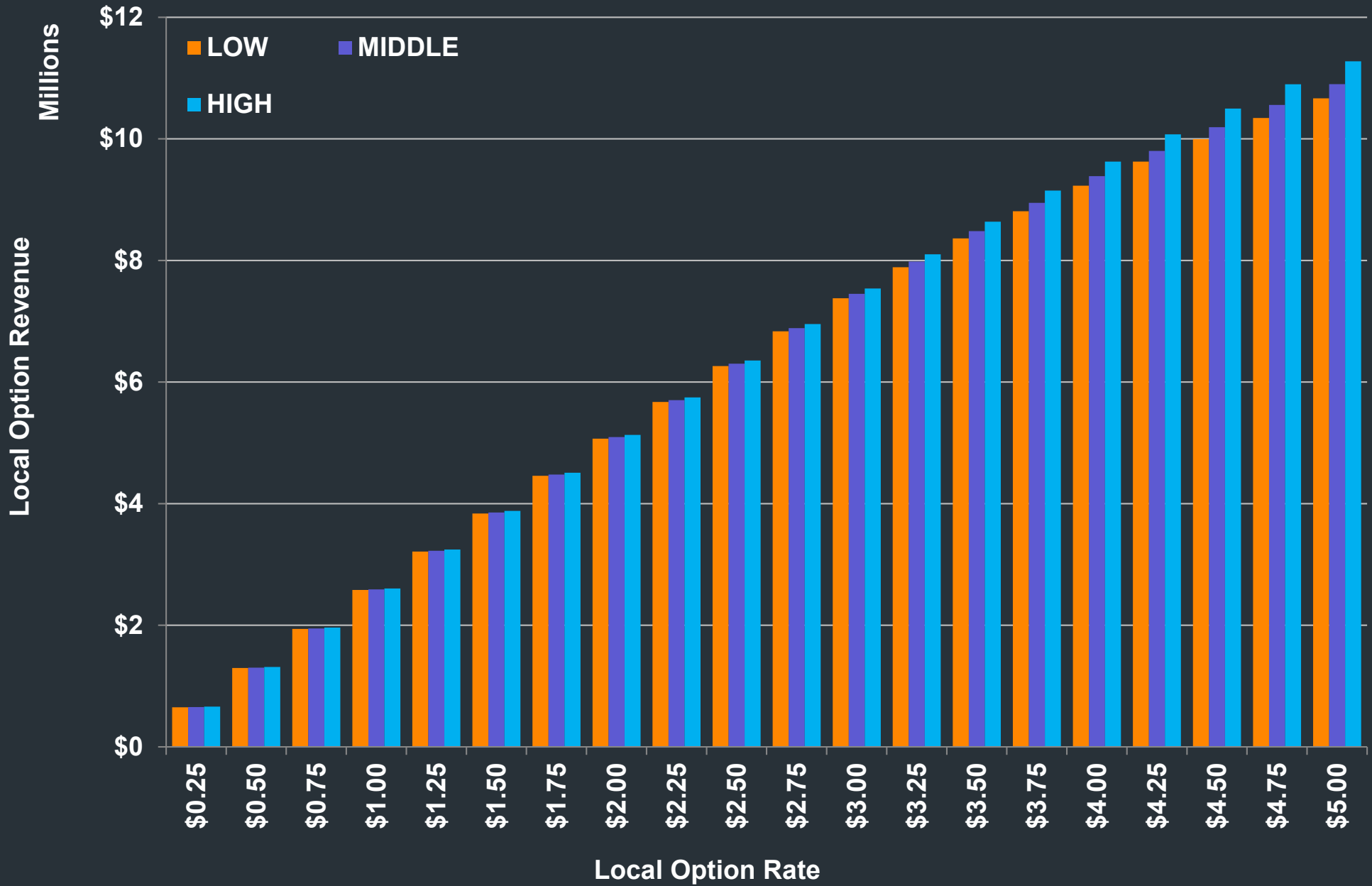
TOTAL DISTRICT RMV GROWTH MODELED RANGES FROM 0% (LOW), 5% (MEDIUM) AND 8.5% (HIGH).

Fiscal Year 2023 Local Option Revenue Projections

Rate per \$1,000 of AV	2023		
	LOW	MIDDLE	HIGH
\$0.25	\$ 649,914	\$ 654,866	\$ 661,074
0.50	1,296,688	1,302,949	1,313,960
0.75	1,940,331	1,948,031	1,961,352
1.00	2,579,845	2,590,125	2,605,417
1.25	3,212,097	3,225,112	3,245,458
1.50	3,837,473	3,855,198	3,880,169
1.75	4,457,780	4,478,310	4,508,474
2.00	5,069,445	5,095,359	5,130,179
2.25	5,672,693	5,703,409	5,747,778
2.50	6,263,209	6,302,314	6,355,487
2.75	6,835,402	6,887,112	6,953,817
3.00	7,378,276	7,450,667	7,540,106
3.25	7,888,629	7,982,844	8,101,802
3.50	8,363,696	8,482,620	8,638,405
3.75	8,809,189	8,948,949	9,149,124
4.00	9,229,287	9,387,275	9,626,224
4.25	9,625,826	9,801,687	10,075,245
4.50	9,996,992	10,192,432	10,498,499
4.75	10,343,626	10,558,582	10,899,051
5.00	10,666,458	10,900,540	11,275,953

Note: As of Fiscal Year 2022, the District did not qualified for a local option equalization grant. The amount and qualification changes annually based on formula inputs of AV and ADMw. The grant is paid on or before March 31 of each year.

Fiscal Year 2023 Local Option Revenue Projections



Fiscal Year 2022 School District Local Option Rates

District	FY 2022 Local Option Rate
Portland SD 1J	\$ 1.99
Lake Oswego SD 7J	1.64
North Clackamas SD 12	1.63
Corvallis SD 509J	1.50
Crow-Applegate-Lorane SD 66	1.50
Eugene SD 4J	1.50
Philomath SD 17J	1.50
West Linn-Wilsonville SD 3J	1.50
Riverdale SD 51J	1.37
Ashland SD 5	1.29
Beaverton SD 48J	1.25
Falls City SD 57	1.25
Hood River County SD	1.25
Tigard-Tualatin SD 23J	1.00
Sisters SD 6	0.75
Siuslaw SD 97J	0.75
Seaside SD 10	0.52
Sweet Home SD 55	0.30

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