

---

# Finance Division

City Manager's Office

---



**To:** Pamela Cole, Case Manager  
**From:** Samantha Naluai, Management Analyst  
**Date:** April 19, 2018  
**Subject:** Tax Analysis for Annexation C-724

The amount of property tax levied each year against a parcel of real estate is the product of the parcel's assessed value and its total tax rate. While annexation does not affect assessed value, annexation can have a significant impact on a parcel's total tax rate.

The following table shows the expected impact of annexation on the total tax rate for the tax lots in the subject case.

## TAX RATE IMPACT OF ANNEXATION

Annexation case

C-724

Tax lot

07322B000400

| Description      | Before Annexation |         | After Annexation | Change |
|------------------|-------------------|---------|------------------|--------|
| Tax code area    | 3219              |         | 3201             |        |
| Government       |                   |         |                  |        |
| Polk County      | \$                | 1.7160  | \$ 1.6510        |        |
| City of Salem    |                   | -       | 5.5291           |        |
| Urban Renewal    |                   | -       | 0.7410           |        |
| Other government |                   | 2.0635  | 0.9199           |        |
| Total government |                   | 3.7795  | 8.8410           | 134%   |
| Schools          |                   |         |                  |        |
| Salem SD 32J     |                   | 4.5210  | 4.2866           |        |
| Chemeketa        |                   | 0.6259  | 0.5936           |        |
| Willamette ESD   |                   | 0.2967  | 0.2816           |        |
| Total schools    |                   | 5.4436  | 5.1618           | -5%    |
| Bonds            |                   |         |                  |        |
| Polk County      |                   | -       | -                |        |
| City of Salem    |                   | -       | 1.1449           |        |
| Salem SD 32J     |                   | 1.5608  | 1.5258           |        |
| Chemeketa        |                   | 0.2718  | 0.2701           |        |
| Other bonds      |                   | 0.1561  | -                |        |
| Total bonds      |                   | 1.9887  | 2.9408           | 48%    |
| Other            |                   |         |                  |        |
| Local options    |                   | 0.3788  | 0.3788           |        |
| UR Special Levy  |                   | -       | 0.2391           |        |
| Total other      |                   | 0.3788  | 0.6179           | 63%    |
| Total tax rate   | \$                | 11.5906 | \$ 17.5615       | 52%    |

Total tax levy = total tax rate x (assessed value / 1,000).

Tax rates presented here assume no compression.

Source: County Assessor

## TAX RATE IMPACT OF ANNEXATION

Annexation case

C-724

Tax lot

07322B000403

| Description      | Before Annexation |         | After Annexation | Change  |
|------------------|-------------------|---------|------------------|---------|
| Tax code area    | 3219              |         | 3201             |         |
| Government       |                   |         |                  |         |
| Polk County      | \$                | 1.7160  | \$               | 1.6510  |
| City of Salem    |                   | -       |                  | 5.5291  |
| Urban Renewal    |                   | -       |                  | 0.7410  |
| Other government |                   | 2.0635  |                  | 0.9199  |
| Total government |                   | 3.7795  |                  | 8.8410  |
|                  |                   |         |                  | 134%    |
| Schools          |                   |         |                  |         |
| Salem SD 32J     |                   | 4.5210  |                  | 4.2866  |
| Chemeketa        |                   | 0.6259  |                  | 0.5936  |
| Willamette ESD   |                   | 0.2967  |                  | 0.2816  |
| Total schools    |                   | 5.4436  |                  | 5.1618  |
|                  |                   |         |                  | -5%     |
| Bonds            |                   |         |                  |         |
| Polk County      |                   | -       |                  | -       |
| City of Salem    |                   | -       |                  | 1.1449  |
| Salem SD 32J     |                   | 1.5608  |                  | 1.5258  |
| Chemeketa        |                   | 0.2718  |                  | 0.2701  |
| Other bonds      |                   | 0.1561  |                  | -       |
| Total bonds      |                   | 1.9887  |                  | 2.9408  |
|                  |                   |         |                  | 48%     |
| Other            |                   |         |                  |         |
| Local options    |                   | 0.3788  |                  | 0.3788  |
| UR Special Levy  |                   | -       |                  | 0.2391  |
| Total other      |                   | 0.3788  |                  | 0.6179  |
|                  |                   |         |                  | 63%     |
| Total tax rate   | \$                | 11.5906 | \$               | 17.5615 |
|                  |                   |         |                  | 52%     |

Total tax levy = total tax rate x (assessed value / 1,000).

Tax rates presented here assume no compression.

Source: County Assessor

## TAX RATE IMPACT OF ANNEXATION

Annexation case

C-724

Tax lot

07322B000404

| Description      | Before Annexation |         | After Annexation | Change  |
|------------------|-------------------|---------|------------------|---------|
| Tax code area    | 3219              |         | 3201             |         |
| Government       |                   |         |                  |         |
| Polk County      | \$                | 1.7160  | \$               | 1.6510  |
| City of Salem    |                   | -       |                  | 5.5291  |
| Urban Renewal    |                   | -       |                  | 0.7410  |
| Other government |                   | 2.0635  |                  | 0.9199  |
| Total government |                   | 3.7795  |                  | 8.8410  |
|                  |                   |         |                  | 134%    |
| Schools          |                   |         |                  |         |
| Salem SD 32J     |                   | 4.5210  |                  | 4.2866  |
| Chemeketa        |                   | 0.6259  |                  | 0.5936  |
| Willamette ESD   |                   | 0.2967  |                  | 0.2816  |
| Total schools    |                   | 5.4436  |                  | 5.1618  |
|                  |                   |         |                  | -5%     |
| Bonds            |                   |         |                  |         |
| Polk County      |                   | -       |                  | -       |
| City of Salem    |                   | -       |                  | 1.1449  |
| Salem SD 32J     |                   | 1.5608  |                  | 1.5258  |
| Chemeketa        |                   | 0.2718  |                  | 0.2701  |
| Other bonds      |                   | 0.1561  |                  | -       |
| Total bonds      |                   | 1.9887  |                  | 2.9408  |
|                  |                   |         |                  | 48%     |
| Other            |                   |         |                  |         |
| Local options    |                   | 0.3788  |                  | 0.3788  |
| UR Special Levy  |                   | -       |                  | 0.2391  |
| Total other      |                   | 0.3788  |                  | 0.6179  |
|                  |                   |         |                  | 63%     |
| Total tax rate   | \$                | 11.5906 | \$               | 17.5615 |
|                  |                   |         |                  | 52%     |

Total tax levy = total tax rate x (assessed value / 1,000).

Tax rates presented here assume no compression.

Source: County Assessor