

City of Newberg

Referred by the City of Newberg

Measure 36-191

Amends City Charter, reduces property taxes on annexation to TVF&R

Question: Shall City Charter be amended to require City Council to limit property taxes if Newberg annexes to TVF&R?

Summary: This Measure amends the City Charter to prohibit City Council from levying the full City permanent property tax rate if Newberg voters approve annexation to the Tualatin Valley Fire and Rescue District (TVF&R). Currently, Newberg provides fire, emergency medical and ambulance services using City property taxes and other revenues. If annexation is approved, Newberg taxpayers would pay property taxes to TVF&R for those services. The Newberg permanent tax rate is \$4.3827 per \$1000 assessed value. City Council would be limited to levying a tax rate of \$2.50, plus 3% per year. This reflects the \$1.88 that the City no longer would spend on emergency services. The limit could be exceeded only if city voters approve. Voters also could approve temporary tax and bond levies. If this amendment is rejected, Council may still levy less than the full tax rate; any amount over \$2.50 could go to other City services. The amendment applies only if Newberg is in TVF&R. The full text of the amendment was adopted by Council Resolution No. 2017-3406.

**NO ARGUMENTS
WERE FILED IN
SUPPORT OF OR IN
OPPOSITION TO THIS
MEASURE**

City of Newberg

Explanatory Statement

Measure 36-191

If approved, this Measure would amend the Newberg City Charter to limit the property tax rate that may be levied by the City if voters approve annexation to the Tualatin Valley Fire and Rescue District (TVF&R).

The City Council has referred a measure to city voters to approve annexation to TVF&R. As discussed in the explanatory statement for that measure, annexation means that TVF&R would levy its property taxes in the City to provide enhanced emergency services.

Currently, the City spends about \$1.88 per \$1000 of assessed valuation to pay for fire, emergency response and ambulance services. The City's current property tax rate is \$4.3827 per \$1000 in assessed valuation. This Charter amendment effectively would subtract \$1.88 from that rate, resulting in a tax rate limit of \$2.50. For the 2018/2019 fiscal year, the City Council would be prohibited from levying more than \$2.50 of Newberg's tax rate. Starting with fiscal year 2019/2020, the City Council could increase this limit 3% per year. The City Council also could seek voter approval to exceed the limit.

The City Council is considering not levying the City's full tax rate even if this Charter amendment is rejected. It would not be required to do so, however, and could direct some or all City taxes not spent on these emergency services to provide other new or enhanced services such as 9-1-1 dispatch, police, roads or other City services.

The Charter amendment does not restrict the City Council from levying the full amount of local option (temporary) property taxes or bond levies. Those levies must first be approved by the voters.

This Charter amendment applies only if city voters approve annexation to TVF&R.

*Information furnished by Joe Hannan, City Manager
City of Newberg*