

Village Omnibus Tax Increment Financing District – Select Board Workshop

June 22, 2021

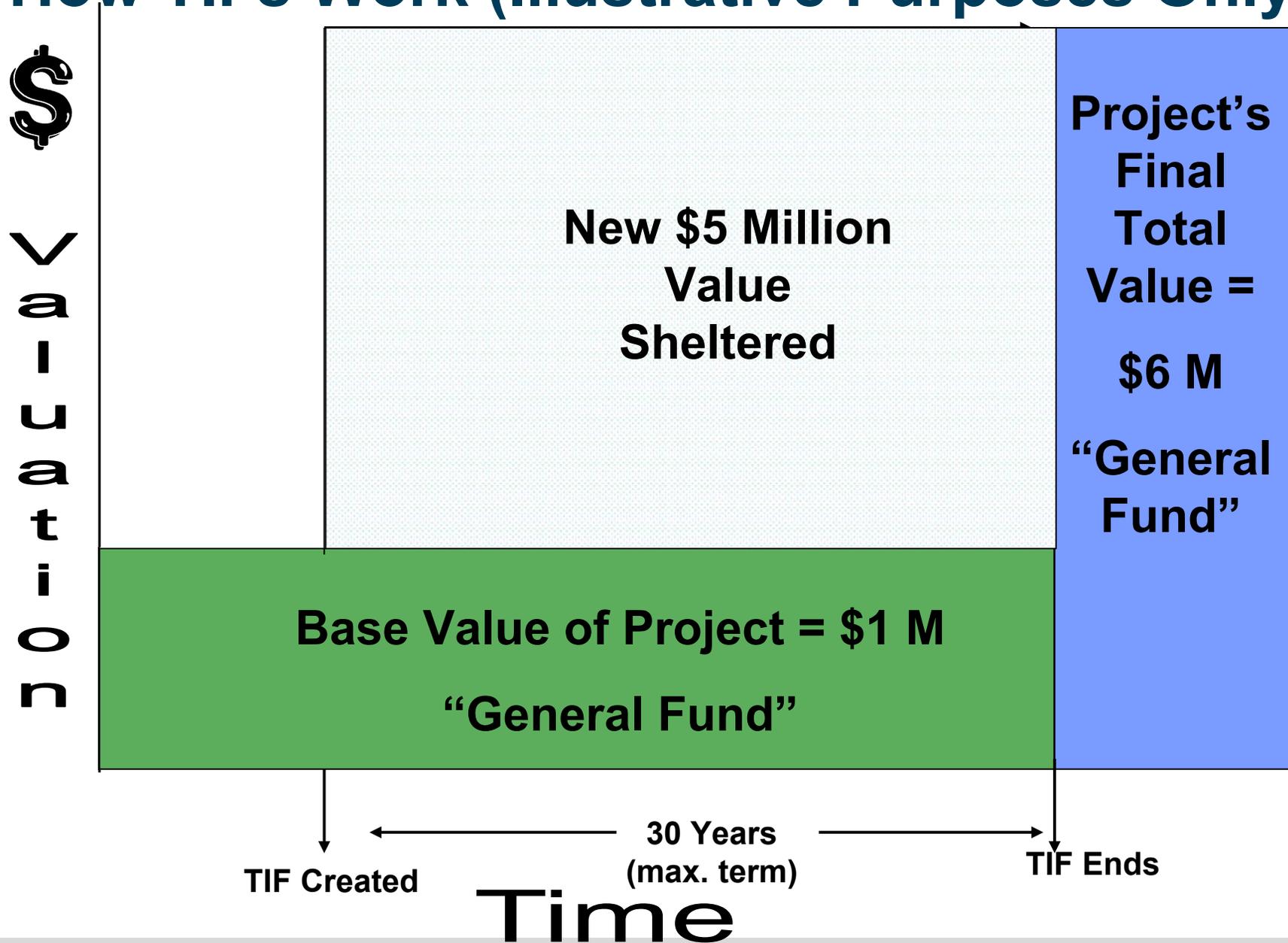
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Workshop Topics

- a) Introduction to the North Yarmouth Village Omnibus Municipal Tax Increment Financing District
- b) Eligible Project Costs
- c) Credit Enhancement Agreements
- d) Financial Impacts/Tax Shifts
- e) Budget Process – Allocating TIF Revenues to Project Costs
- f) TIF Oversight and Management

How TIFs Work (Illustrative Purposes Only)





Tax Shift Benefit

- TIFs shelter new assessed value from a municipality's state valuation.
- The "state valuation" = equalized total assessed value in a municipality.
- The state valuation impacts:
 - state education subsidies,
 - county taxes,
 - state revenue sharing subsidies, and
 - local education contributions to the school district

Lost Revenue in Every New Tax Dollar



67% Lost Revenue

33% Available to Town

4% County Tax

9% Additional Local Education

4% State Revenue Sharing

50% State Aid to Education

\$400,000 Property Example

- Property located outside TIF (\$6,620 Tax Bill at 16.55 mil rate)
 - \$265 goes to pay additional County Taxes
 - \$596 goes to pay additional local education budget expenditures
 - \$265 goes to pay governmental expenditures that would otherwise have been funded with State Revenue Sharing subsidy
 - \$3,310 goes to pay educational expenditures that would otherwise have been funded with State Aid to Education
 - \$2,185 available to be spent by Town
- Property located inside TIF (\$6,620 Tax Bill at 16.55 mil rate)
 - \$6,620 available to be spent by Town on approved project costs in the TIF Development Program.