

# PROPERTY TAX

## HIKE 2017



### Property Assessment

the market value of a parcel set by the city assessor's office



### Property Taxes

the amount a property owner pays to the city; based on the property assessment and the tax rate



### Tax Abatement

a development incentive which freezes the assessed value of property in "blighted" areas, so owners pay lower or no property taxes for a set number of years



### Hancock Amendment

legislation which limits the amount of tax revenue a city can collect compared to the prior year; sets the ceiling of total tax revenue

As an example, let's take a property in Shaw, a neighborhood with a high concentration of tax abatements on single-family homes...

NEIGHBORHOOD SCALE



WIN-LOSE

WIN-WIN

1

Property owners apply for a tax abatement for their rehab. St. Louis City approves a 10-yr abatement, freezing their assessment at its pre-development level.

2

Owners finish the rehab. Their property value rises, and so do their neighbors'. Only neighbors see an assessment increase.

3

When the city sets the year's property tax rate based on assessments, abated properties' new market values aren't used. The burden of the revenue increase shifts to non-abated neighbors.

4

During tax season the increased assessed value on neighboring, non-abated homes can lead to higher tax bills for their owners.

5

Even though assessments have risen considerably, vital services, like libraries, mental health support & schools, see limited growth in funding to due to the Hancock tax cap.

LOSE-LOSE

6

Across the city, a home in North Pointe's property assessment decreases but the tax rate remains elevated, due to tax abated properties not paying into the collective pot.



Due in part to a history of concentrated tax abatement use in the central corridor and neighborhoods around Tower Grove Park...

...middle class families without an abatement, but with rising assessments, shoulder the burden of paying for the city's schools and other services funded by property taxes.

CITY-WIDE

**This increases the tax burden on middle and working class families, especially people of color.**