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**OEDA TIF Committee Statement on use of Tax Increment Finance Funds  
Related to Coronavirus Response**

*Oregon-* Today Oregon Economic Development Association (OEDA) and its Tax Increment Finance (Urban Renewal) Committee is releasing guidance on the use of tax increment funds for response related to coronavirus impact on business:

In the midst of this crisis, we recognize that communities are leaving no stone unturned to locate funding to support businesses. Several communities have reached out about whether jurisdictions can utilize Tax Increment, or urban renewal, funds to create loan or grant programs to support businesses.

Unfortunately, the answer to this question is No.

It is the longstanding interpretation in Oregon that other than TIF administration for running the program, funds may only be used for capital infrastructure. Years of discussion with taxing districts, professional trainings, and best practices recommendations have reinforced the standard that **communities may not use TIF for functions like marketing, promotions, business salaries, operational costs, routine maintenance, and the like.**

A use of funds that ignores statute and interpretive precedent to meet a pressing need could put this critical tool at risk after this crisis and be held up as a reason why the tool requires more oversight, more restrictions in statute, or why it merits elimination altogether.

Our organization held internal conversations to discuss this option and even explored re-examining governing statute ORS 457 in an upcoming special session. In consultation with our team and with taxing district partners at Special Districts of Oregon (SDAO) our organization do not see a path forward.

One legal option that communities may wish to consider is an under-levy to access more unrestricted funds. This maneuver would be formalized through the jurisdictional budget process and would proportionately under-levy to all taxing districts. [This memo](#) prepared by key TIF consulting partner Elaine Howard Consulting LLC provides more information on this option.

We join TIF partners and the economic development community in continued work to bring to bear every assistance strategy available and are inspired by the tireless work occurring in communities across Oregon to respond to this virus and its impacts.

If practitioners in in your communities have questions, please have them contact Avery Pickard, OEDA Executive Director at [director@oeda.biz](mailto:director@oeda.biz).

**About Oregon Economic Development Association:** OEDA is the statewide association for Oregon's economic development community that works on the front line in job creation and expansion of Oregon's economy. OEDA's TIF Committee specializes in advocacy, education and best practices regarding tax increment finance.