

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
74th Oregon Legislative Assembly
2007 Regular Session
Legislative Revenue Office

Bill Number: HB 2641-A
Revenue Area: School Finance
Economist: Meyer
Date: 4/04/07

Measure Description:

Increases school district local option property tax limits from \$750 to \$1,000 per weighted student (ADMw) and from 15% to 20% of school equalization formula revenue that, if exceeded by a district, reduces the district's State School Fund revenue by the amount above the lesser of these two limits. Increases the \$1,000 limit by 3% per year beginning in 2008-09. Also applies the new limits in the calculation of the local option equalization grant.

Takes effect on the 91st day after sine die.

Revenue Impact:

School Districts	2007-08	2008-09	2007-09 Biennium	2009-11 Biennium
Local Option Revenue		May be increased by voters		
State School Fund	0	0	0	0

Impact Explanation:

Given the proposed State School Fund appropriation for 2007-09, the \$1,000 per ADMw limit will be the controlling limit. School districts may seek voter approval of local option property tax levies that yield more than \$750 per weighted student (ADMw), but less than \$1,000 (when the tax gap between 1990 Measure 5 and 1997 Measure 50 is sufficient). Local option authority already passed by voters for up to 5 years may possibly exceed the \$750 per weighted student limit within the 5 years, but districts need not use their full authority. One district's existing authority may exceed \$750 per ADMw in 2008-09.