

74th OREGON LEGISLATIVE ASSEMBLY – 2007 Regular Session
STAFF MEASURE SUMMARY
SENATE FINANCE & REVENUE COMMITTEE

MEASURE: SB1036-A
CARRIER: Sen. Deckert

REVENUE: Revenue statement issued

FISCAL: No fiscal impact

Action: Do pass with amendments and be printed engrossed

Vote: 4-1-0

Yeas: Burdick, Monroe, Starr, Deckert

Nays: G. George

Exc.:

Prepared By: Steve Meyer, Economist

Meeting Dates: 4/4, 4/12, 5/1

WHAT THE BILL DOES: Allows school districts to impose a tax on new construction measured by the square footage of improvements. Requires revenue to be used for capital improvements and defines capital improvements. Sets a tax rate limit of \$1 per square foot for residential, \$0.50 for commercial and \$0.25 for industrial construction. Imposes additional \$25,000 limit on commercial structures and industrial permits. Indexes rates beginning in 2010. Exempts specified improvements including affordable housing. Grants school districts additional exemption authority. Requires school districts with construction tax revenue to develop long-term facilities plans. Requires intergovernmental agreement with local governments collecting the tax and limits collection expense to 1% of tax revenue. Preempts local governments from using a construction tax until 2018, but grandfathers in local government construction taxes already in effect as of May 1, 2007.

ISSUES DISCUSSED:

Allowing school districts another local option revenue source

Having flexible rates up to a limit

Preempting local governments from using the fee

Use as alternative to a system development charge

Having a sunset on the local government preemption

EFFECT OF COMMITTEE AMENDMENTS: Replaces the bill.

BACKGROUND:

School districts have traditionally had to rely on local voter approval of bonds for capital improvements and new construction. After the passage of Measure 50, the 1997 Legislature added a facility grant to the school equalization formula to help with the cost of new classroom equipment and furnishings that cannot be bonded. School districts do not have the authority to impose other taxes or fees for capital needs.

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This summary has not been adopted or officially endorsed by action of the committee.